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ASEAN Meeting Previewed

Soviet Deputy Premier Maslyukov Arrives

BK1807044491 Kuala Lumpur BERNAMA in English 0416 GMT 18 Jul 91

[Text] Kuala Lumpur, July 18 (OANA-BERNAMA)—Soviet Deputy Premier Yuriy Maslyukov arrived here Thursday to attend the opening of the ASEAN Ministerial Meeting (AMM) Thursday as a guest of the Malaysian Government.

Malaysia has invited the Soviet Union and China to attend the opening session for the first time.

Both countries have, in the past, expressed keenness to become a dialogue partner with the ASEAN nations to step up economic and trade relations. However, there are no plans as yet to add the two countries to the current seven industrialised dialogue nations.

Maslyukov would have a meeting with the six ASEAN foreign ministers to explore potential areas to enhance economic cooperation, as would China's representative, its Foreign Minister Qian Qichen, who arrived yesterday.

Maslyukov was met on arrival by Foreign Minister Abdullah Ahmad Badawi. He is leading a 20-member delegation and is accompanied by his wife, Svetlana Maslyukova.

Speaking on arrival at the Kuala Lumpur International Airport here, Maslyukov said the Soviet Union attached "great importance" to its first ever meeting with the ASEAN nations.

"We would like to establish better contacts in trade and economic and political relations to contribute to the development of friendly ties," he said.

The Soviet Union, he added, was "open" to better contacts in all these areas. "I think the time for this has arrived in our relationship," he said.

Maslyukov would also meet Malaysian leaders during his four-day visit here, including Prime Minister Dr. Mahathir Mohamed and Deputy Prime Minister Ghafar Baba.

Referring to Malaysia-Soviet bilateral relations, he said the Soviet Union hoped to learn first-hand from the Malaysian experience in technolgical advances as well as to establish closer political links.

According to his programme, issued by the Soviet Embassy here, the Soviet deputy premier is scheduled to visit the Institute of Micro Electronics system, the Sapura plant as well as attend a briefing at the economic planning unit.

He will also meet Qian, who had also been invited by Malaysia to attend the opening of the AMM.

Malaysian Prime Minister on USSR Role

BK1707072991 Kuala Lumpur BERNAMA in English 0346 GMT 17 Jul 91

[Excerpts] Kuala Lumpur, July 17 (OANA-BERNAMA)—Malaysia hopes the Soviet Union will open its market to facilitate economic co-operation with the ASEAN countries, Prime Minister Dr. Mahathir Mohamed said here.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Malaysia, Singapore, Indonesia, the Philippines, and Thailand.

Speaking to newsmen here, he said the ASEAN is an open market and willing to co-operate with others. "Ours is an open market... we hope the Russian market will also be open to enable some economic co-operation," he added. [passage omitted]

Mahathir said Malaysia welcomed the Soviet Union's attendance at the AMM opening ceremony.

"We would like the Soviet Union to understand the importance of ASEAN, its role and how we can co-operate," he said.

PRC's Qian Qichen Arrives for Meeting

BK1807043291 Kuala Lumpur BERNAMA in English 0404 GMT 18 Jul 91

[Text] Kuala Lumpur, July 18 (OANA-BERNAMA)—China's Foreign Minister Qian Qichen arrived here Wednesday for a five-day official visit.

He will also attend the opening ceremony of the 24th ASEAN Ministerial Meeting (AMM) which Malaysia is hosting from Friday.

The Soviet Union's First Deputy Prime Minister Yuriy Maslyukov will also be attending the opening ceremony. He is scheduled to arrive here Thursday.

The two countries were invited by Malaysia as hosts of the annual gathering of foreign ministers of the regional grouping which also includes Brunei Darussalam, Indonesia, the Philippines, Singapore, and Thailand.

Foreign Ministry officials said the presence of China and the Soviet Union at the opening of the AMM marked the beginning of the development of ASEAN-China and ASEAN-Soviet Union relationships.

ASEAN member countries have been dealing with the two giants of the communist bloc individually on a bilateral basis.

The grouping however has developed a collective relationship with, what is known as the dialogue partner countries, the United States, Japan, the European Community, Australia, Canada, New Zealand, and the latest addition being South Korea.

ASEAN's annual dialogue with these countries takes place just after the AMM and is known as the Post Ministerial Conference (PMC).

The officials however made it clear that China and the Soviet Union are not being accorded dialogue partner status.

The two countries will not be attending the PMC which begins on Monday.

Qian and Maslyukov however will be having separate informal meetings with the ASEAN foreign ministers after attending the opening of the AMM by Prime Minister Dr. Mahathir Mohamed.

Qian Remarks on Ties

BK1807050091 Kuala Lumpur BERNAMA in English 0412 GMT 18 Jul 91

[Text] Kuala Lumpur, July 18 (OANA-BERNAMA)—China regards its presence as guest for the 24th ASEAN Ministerial Meeting (AMM) here as a "good beginning" to forging closer ties with ASEAN.

China's Foreign Minister Qian Qichen said Wednesday night that his country was ready to develop comprehensive relations of cooperation with ASEAN which he described as an important regional organisation of economic cooperation.

ASEAN also played an important role in regional peace and stability, he told reporters on arrival for a five-day official visit at the Kuala Lumpur International Airport here. He was received by Foreign Minister Abdullah Ahmad Badawi.

Qian thanked Malaysia for inviting China to attend the official opening of the meeting on Friday.

"I believe our respective discussions with ASEAN on matters of common interest here will mark a good beginning between China and ASEAN."

"Thanks to active efforts by Malaysia, I have the opportunity to attend the opening ceremony of the AMM and to hold discussions with the six ASEAN foreign ministers," he said.

Qian is scheduled to hold talks with Abdullah at Wisma Putra [Foreign Ministry] tomorrow morning before calling on Prime Minister Dr. Mahathir Mohamed.

On China-Malaysia bilateral ties, he said the relationship had witnessed rapid development since the establishment of diplomatic relations particularly with the visits by leaders last year.

He said the Yang Di-pertuan Agong (King) Sultan Azlan Shah was in China last year for the 11th Asian Games while Premier Li Peng visited Malaysia. He said Sultan Azlan Shah was scheduled to visit China again in September.

Malaysian Foreign Minister on Dialogue Changes

BK1807072691 Kuala Lumpur BERNAMA in English 0423 GMT 18 Jul 91

[Text] Kuala Lumpur, July 18 (OANA-BERNAMA)—ASEAN's discussions with its dialogue partners are undergoing a perceptible change in both the form and content of dialogue relations, instead of the previous donor-recipient status.

Foreign Minister Abdullah Ahmad Badawi said Wednesday that ASEAN considered its seven dialogue partners as its partners in progress, establishing its own criteria, guidelines, and strategic thrust on which it would like to receive assistance from the partners.

"Previously, we have to conform to their criteria and priorities. This is an important change both in our outlook and approach and reflects the maturity of our relationship," he said when closing the sixth meeting of the 24th ASEAN Standing Committee (ASC) here.

ASEAN's dialogue partners are Australia, Canada, the European Community, Japan, New Zealand, the United States, and South Korea.

On their part, Abdullah said, ASEAN's dialogue partners were also looking at the grouping differently such as approaching development assistance issues from a different perspective.

The ASC meeting, chaired by Malaysia, finalised the agenda for AMM [ASEAN Ministerial Meeting] and discussed the proposals by the group of five eminent persons on strengthening the ASEAN mechanism including the secretariat.

Participants To Discuss Economic Group

BK1807091691 Kuala Lumpur Voice of Malaysia in English 0800 GMT 18 Jul 91

[Text] Malaysia's proposal to form the East Asia Economic Group, EAEG, will be discussed for the first time at the ASEAN ministerial level. Foreign Minister Datuk Abdullah Ahmad Badawi says the EAEG will be among the main agenda for the ASEAN ministerial meeting scheduled in Kuala Lumpur tomorrow. He said a working committee comprising ASEAN senior officials will submit their report in the meeting. Datuk Abdullah said this at the end of the three-day ASEAN Standing Committee meeting in Kuala Lumpur. Datuk Abdullah also said that the six-day meeting will accept South Korea as a full ASEAN dialogue partner.

To Discuss Regional Security

BK1807031691 Hong Kong AFP in English 0256 GMT 18 Jul 91

[By Mervin Nambiar]

[Text] Kuala Lumpur, July 18 (AFP)—Foreign ministers of the Association of Southeast Asian Nations (ASEAN)

will for the first time discuss ways of boosting regional security at their annual two- day meeting beginning here Friday, regional diplomats said Thursday.

They said the talks on security, expected to be informal, would centre on an emerging ASEAN consensus that global strategic changes, the end of the cold war and an approaching settlement of the Cambodia conflict necessitated a fresh look at the region's future security.

"Although ASEAN has tried to project itself as a group largely concerned with economic cooperation there is a feeling that the time has come to examine and establish some form of security arrangement although not necessarily a new alliance," a senior ASEAN diplomat said.

He said the U.S. decision to abandon Clark Air Base in the Philippines because of the extensive damage caused by the Mount Pinatubo eruption and Washington's annonced scaling down of its military presence globally had added new impetus to the informal discussion on security among ASEAN officials.

The ASEAN, formed in 1967 and grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand has emphasised economic cooperation and downplayed any suggestion that it might evolve into a military alliance.

With the exception of Singapore, which allows the United States limited accesss to military facilities, and the Philippines, varying foreign policy considerations have prevented the other ASEAN members from openly backing a continued U.S military presence in Southeast Asia.

Privately, however, ASEAN officials acknowledge that the U.S. bases in the Philippines have provided the regional stability to allow them to focus on economic development.

"Many ideas have been floated about what forms security cooperation should take. But basically the idea is to build upon the web of exisitng arrangements and bilateral defence exercises within ASEAN," a diplomat said.

Malaysia and Singapore are members of the Five-Power Defence Arrangement (FPDA) whose other members are Britain, Australia and New Zealand. Brunei has a separate treaty with Britain but has been invited to join the FPDA while Thailand, like the Philippines, comes under a U.S. security umbrella.

ASEAN diplomats said a proposal that has gained some ground in recent months calls for an expanded relationship between ASEAN and its so-called dialogue partners—the United States, Canada, the European Community, Japan, Australia, New Zealand and South Korea—to cover security matters.

As in previous years foreign ministers of the seven dialogue partners will hold talks with the ASEAN foreign ministers here from July 22-24 and ASEAN diplomats say that security, although not specifically on the agenda, would also feature in the discussions.

Malaysian Foreign Minister Abdullah Badawi acknowledged Wednesday that there was a growp interest within ASEAN on the need for closer consultations on security.

"Yes, I think at least informally we will be discussing this," he said.

The subject of security is also expected to feature during meetings here between the ASEAN foreign ministers and the Soviet Union's Deputy Prime Minister Yuriy Maslyukov and Chinese Foreign Minister Qian Qichen.

Mr. Maslyukov and Mr. Qian will attend the opening session of the ASEAN talks here Friday for the first time as guests of the Malaysian Government before holding separate talks with the ASEAN foreign ministers, officials said.

ASEAN diplomats said one proposal calls for the (?inclusion) of new subjects [word indistinct] (?international) terrorism and military cooperation in the agenda of the ASEAN talks with its dialogue partners.

They said that at a later stage the list of dialogue partners could be expanded to include the Soviet Union and regional powers like China and India, adding there would be less resistance if a security forum was built around an [words indistinct].

[Words indistinct] (?diplomats) said they had informally examined a Soviet call for a five-power conference involving the Soviet Union, the United States, China, Japan and India forwarded by President Mikhail Gorbachev during his visit to Tokyo in April. Another proposal calls for an Asian security body styled after the 35-nation Conference on Security and Cooperation in Europe, they said.

Japan

Results of G-7 Meeting Analyzed, Reviewed

Foreign Ministry Reacts

OW1707143491 Tokyo KYODO in English 1420 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Japan was able to make a reasonable contribution to the London summit of seven major industrialized nations, Foreign Ministry officials said Wednesday.

The officials said they valued the achievements of the summit talks and that they sufficiently reflected Japan's views.

The leaders of Britain, the United States, France, Germany, Japan, Canada, and Italy agreed, on the focal issue of assistance to the Soviet Union, to encourage Soviet President Mikhail Gorbachev to act boldly to implement political and economic reforms but without pledging any massive financial aid.

Japan has insisted that it is too early to open the coffers to Moscow until there is more concrete evidence of progress toward a market-oriented economy, officials said.

The Japanese officials also welcomed the economic declaration's points on the Uruguay Round of multilateral trade talks, saying that it correctly assessed the current economic situation of the Asia- Pacific region, on which Japan has repeatedly commented.

They also expressed appreciation of the summit's calls for a stronger United Nations role in international affairs and on its handling of assistance to the Korean peninsula, China, Cambodia and Mongolia in the summit chairman's statement.

"The declarations fully included issues on which Japan has been making appeals to each nation as a summit member from Asia," an official said.

The officials also described the registration of arms' transfers under U.N. auspices, which Japan and Britain proposed, as an important achievement of the three-day summit talks.

Kaifu Seen as 'Clear Winner'

OW1707171591 Tokyo KYODO in English 1608 GMT 17 Jul 91

[By Narito Ohta]

[Text] London, July 17 KYODO—Japanese Prime Minister Toshiki Kaifu is returning home as a clear winner at the summit of the leaders of seven major industrialized countries.

Japanese analysts at the annual summit in London saw the language of the political and economic communiques as being particularly favorable to the Japanese stance.

One outcome they pointed to was the lack of progress by Soviet President Mikhail Gorbachev in his effort to win a clear pledge of financial assistance from the seven.

Japan maintains it will not provide any major financial assistance to the Soviets until a bilateral territorial dispute is resolved. The dispute concerns Japanese demands for the return of four islands off Hokkaido seized by the Soviets at the end of World War II.

A Japanese diplomat who attended the summit said, "during the plenary session of the second day, three heads of state made remarks supporting to Japan's call for the return of the four islands."

The economic communique contained what analysts said was a veiled reference to the territorial dispute, in a passage which said, "we are sensitive to the overall political context in which (Soviet) reforms are being conducted, including the 'new thinking' in Soviet foreign policy around the world."

The only promise won by Gorbachev, who dominated the 17th economic summit, was a vague "special relationship" status in the International Monetary Fund (IMF) and the World Bank.

Japan's reluctance to provide financial aid to the Soviet Union coincides with concern in the West that the Kremlin has yet to sufficiently transform its economy to the market model.

"President Gorbachev's situation in domestic politics is a little better than three months ago when he came to Tokyo," a senior Japanese Foreign Ministry official said.

But the Soviet economy remains on the brink of collapse and in chaos, said the official, who asked not to be identified.

For Gorbachev, an audience with the summit leaders was a long- waited prize. He had been angling for it for three years.

Kaifu, attending his second summit, told Gorbachev in a face-to- face meeting that the territorial dispute between the two countries must be resolved before Japan will consider full-fledged economic assistance.

The Soviet Foreign Ministry had tried to insist that the Kaifu- Gorbachev session should come before the Soviet leader met the other Group of Seven leaders, the Japanese diplomat said.

In the event, Kaifu was the second of the seven leaders to meet Gorbachev, following a breakfast meeting between Gorbachev and French President Francois Mitterrand.

"Nobody, of course including Gorbachev himself, believed the summit leaders would hand over a big check

or credits at the meetings in London. The 'special relationship' status is good enough," he said.

A Soviet spokesman traveling with Gorbachev told KYODO News Service, "it's difficult to say what this status means ... this is a unique status, a kind of intermediate stage before becoming a full member of the IMF."

But Japanese and U.S. officials said there is no tacit agreement among the Group of Seven (G-7) leaders that the "special relationship" status could pave the way for full membership.

The idea, initially proposed by U.S. President George Bush, would give the Soviet Union access to technical assistance and advice from the both organizations, but it would not be able to borrow from them.

Observers on Soviet Recovery

OW1807081191 Tokyo KYODO in English 0354 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—The ailing Soviet economy has little hope of recovery without full-scale financial assistance from the West, members of Japan's political and industrial circles said Thursday, after no promises for such aid were made at the London summit of seven economic powers.

They said the Soviet Union's economic shambles despite more than five years of perestroyka, or restructuring, is worse than expected, prompting forecasts of a double-digit decline in its gross national product (GNP) for 1991 from the year before, and a 100 percent year- on-year surge in its consumer price index.

"The economy is in such critical condition that it needs a major injection of financial aid, but is instead receiving a mere health check-up in the form of technical assistance from the international monetary fund," said a source with a major trading house.

"If that's all it can be offered, the road to economic recovery (?will be) very long indeed," he said.

The instability of the ruble is a major source of anxiety among Soviet observers. The Soviet currency's official exchange rate is 0.6 ruble to the dollar, while its rate for commercial transactions is about 1.8 rubles.

But its rate for tourists, which is said to more accurately reflect its true worth, is 30-40 rubles to the dollar.

Japanese private companies flinch at the prospect of investing in the Soviet Union, fearful of the huge risks involved.

Even if the government were to guarantee such private investment, "that in itself would be a form of financial assistance which would require a political decision," said an official with the economic planning agency.

Sakamoto Hails Contributions

OW1807082891 Tokyo KYODO in English 0612 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—Chief Cabinet Secretary Misoji Sakamoto on Thursday hailed Japan's contribution to the success of the London summit, saying the results of the three-day meeting acquired a "global perspective."

Sakamoto said Japan contributed by trying to bring the views of Japan and the Asia-Pacific region to the discussions of the leaders of the world's seven major industrial nations.

Japanese analysts have generally seen the political and economic declarations emerging from the summit that ended Wednesday as being favorable to Japan.

They point to the economic communique which they say refers vaguely to the unresolved territorial dispute between Tokyo and Moscow.

"We are sensitive to the overall political context in which (Soviet) reforms are being conducted, including the new thinking in Soviet foreign policy around the world," one passage said.

On Wednesday, Sakamoto remarked "it is noteworthy" that the seven summiteers including Prime Minister Toshiki Kaifu, "reached a consensus on the importance of the political context of the Soviet Union's new thinking."

Japanese leaders have long insisted that the Soviet new thinking be extended to Asia, which is taken as diplomatic language for a settlement of the dispute over Soviet-held islands off the coast of Hokkaido.

Sakamoto stressed that although some technological assistance will be forthcoming under the six-item agreement on Soviet aid, there will be no large-scale financial aid to the Kremlin.

The Soviet Union needs to reform its domestic economy before Japan can consider extending financial aid, he said.

Business Community on Communique

OW1707142591 Tokyo KYODO in English 1303 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Japan's business community by and large gave high marks to the economic communique issued in London by leaders of the group of seven industrial nations Wednesday as it did not include immediate large-scale financial support to the Soviet Union right now, as sought by Japan.

"It is appropriate to skip providing large-scale financial support to the Soviets," said Gaishi Hiraiwa, chairman of the Japan Federation of Economic Organizations (Keidanren).

In their 13-page economic declaration, the G-7 leaders pledged to help the Soviet Union integrate with the global economy, but did not provide any specifics on what or how much assistance the G-7 nations are ready to offer the Soviets.

The G-7 leaders also agreed to set a deadline of the end of this year for a successful conclusion of the Uruguay Round of global trade talks, now stalled mainly over how to cut farm export subsidies and domestic protection.

"I appreciate that a conclusion to the Uruguay Round by the end of this year was called upon," said Yutaka Kume, president of Nissan Motor Co.

Kume also gave high marks to the fact that the G-7 leaders did not endorse large-scale financial support to the Soviets at the moment, saying that this is in line with arguments by Japan and the United States that it is too early to do so.

Yohei Mimura, chairman of the Japan Foreign Trade Council, a group of major Japanese trading houses, said he hopes to see progress being made in economic reforms in the Soviet Union, and stressed the need for Japan to provide technical support to the Soviets in implementing such reforms.

"Japan, for its part, needs to consider and take measures to offer support effectively in specific fields such as the transfer of resources to military to civilian use, energy, environment, and telecommunications," he said.

Tadashi Ito, chairman of Sumitomo Corp., said that the appeal to wrap up the Uruguay Round by the end of this year is significant, and urged the Japanese Government to take the initiative in meeting the deadline.

But Ito added he is worried about little reference in the G-7 communique to Southeast Asia over issues such as the external debt problem.

South African Mission To Visit on Invitation

OW1707052491 Tokyo KYODO in English 0237 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—An 11-member South African mission will arrive in Tokyo Saturday for a 12-day visit to Japan to inspect industrial and educational facilities at the invitation of the Foreign Ministry, government officials said Wednesday.

On June 21, the Japanese Government announced a decision to lift some sanctions against South Africa in response to Pretoria's repeal of the last legal pillars of apartheid.

Based on the decision, Tokyo immediately resumed issuing tourist visas to South Africans, and stopped advising Japanese tourists against visiting the country.

The invitation to Japan of the Pretoria mission is expected to pave the way for personnel exchanges between the two countries, the officials said.

The group includes high ranking officials of South Africa's Development Aid and Education Ministry and Foreign Ministry, a general manager of the Economic Department of the African National Congress of South Africa (ANC), and a secretary general of the anti- apartheid organization, the officials said.

During their stay in Japan, the delegation is scheduled to visit the Education Ministry and the International Trade and Industry Ministry and will inspect private enterprises including a Toyota motors factory in Aichi Prefecture, the officials said.

A top Foreign Ministry official said last week that Japan is likely to scrap economic sanctions against South Africa on July 30 after Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama return from the London summit of seven leading industrial nations.

Japan still continues to impose certain economic sanctions, including a ban on all direct investment by Japanese firms and iron and steel imports, pending the implementation of democratic and civil rights measures by the South African Government.

Okinawa Governor Ota Tours U.S. Bases

OW1807012291 Naha OKINAWA TIMES in Japanese 17 Jul 91 Morning Edition p 1

[Text] Prior to his visit to the United States, Okinawa Governor Ota made inspection tours of U.S. military bases on Okinawa on 16 July. At the same time, he met with the mayors of Kadena, Yomitan, Onna and Kin townships, where the bases are located. At the meetings, Mr. Ota was briefed on problems the towns face. He visited Kadena Air Base [KAB], Yomitan Auxiliary Airfield, the Urban Guerrilla Combat Training Facilities, and gun platform No. 300, which is used for live-shell firing exercises by Prefectural Highway 104. It was Governor Ota's first base visit.

At KAB, Brigidier General Hurd, 313th Air Division commander, explained the current base situation and explained that as an antinoise measure, sound isolation walls will be raised and the very noisy KC-135 aerial refueling aircraft will be replaced by refueling aircraft with new quieter engines within this month.

He also expressed his disapproval of Kadena township's intention to recover Kadena Marina.

The U.S. Marine Base commander, Brigidier General Reinke, guided Governor Ota at Yomitan Auxiliary Airfield, the Urban Guerrilla Combat Training Facilities, and the Camp Hansen training field, which are under control of the Marines. The general reportedly said that the United States is not opposed to the transfer of Yomitan Auxiliary Airfield, which is used as a parachute training facility, as long as there is an appropriate alternative location.

The Naha Defense Facilities Administration Bureau is looking for an alternate site but is experiencing difficulties.

Kadena township's Mayor Miyagi called on the governor for an early return of Kadena Marina and the signing of an accord for regulating noise control. In addition, Onna Mayor Higa asked the governor to take measures to remove the Urban Combat Training Facilities and range No. 7, where trench mortars are used, within this year.

To Meet Congressmen in U.S.

OW1807023791 Naha RYUKYU SHIMPO in Japanese 17 Jul 91 Morning Edition p 1

[Text] Okinawa Prefectural Governor Masahide Ota will visit the United States beginning on 19 July to appeal to the U.S. Administration and the U.S. public for the scaleback of U.S. military bases in Okinawa and a halt to base-caused incidents and accidents. The prefectural governor's schedule for meeting with some congressmen and other people was set on 16 July. The governor also attaches importance to contacts with as many U.S. news media reporters as possible to achieve the U.S. public's understanding of base-caused problems in Okinawa. The planned visit to the United States by the prefectural governor, who attaches importance to U.S. public opinion, would be different from visits by previous prefectural governors. Congressmen who are scheduled to meet with Governor Ota are Daniel Inouye of the Defense Subcommittee of the Senate Appropriations Committee; Patricia Schroeder, chairman of the House Military Installations and Facilities Subcommittee; and Senator [as published] Daniel Akaka. The governor is also scheduled to meet with former U.S. Ambassador to Japan Mike Mansfield. He is set to meet with former Ambassador Mansfield and Chairman Schroeder on 24 July.

On 16 July, the prefectural government sent to 16 influential U.S. newspapers and television networks letters attached with the governor's itinerary, explaining the objective of the prefectural governor's planned visit to the United States and requesting their cooperation in his meetings with their reporters. The governor is scheduled to meet U.S. reporters in New York, Los Angeles, and Honolulu.

In the letters, Governor Ota asked for the U.S. news media's cooperation in his efforts to win the U.S. public's understanding of the Okinawan situation, saying: "Okinawa is a small autonomous prefecture in Japan encompassing only 0.6 percent of the national territory. However, 74.6 percent of U.S. military facilities in Japan are concentrated on this small island of Okinawa. The presence of these military facilities in Okinawa has hampered the development of the island, and the people's lives in Okinawa have been threatened by various incidents and accidents caused by the bases."

The prefectural government is negotiating with influential newspapers in New York for interviews with Governor Ota and with three major television networks for Governor Ota's appearance on morning shows. The prefectural government plans to provide video tapes on base-related problems in Okinawa. The prefectural governor also plans to meet with Japanese reporters in the United States.

Company To Exchange Engineers With Chernobyl

OW1807104791 Tokyo KYODO in English 1024 GMT 18 Jul 91

[Text] Nagoya, July 18 KYODO—Chubu Electric Power Co. will exchange nuclear power plant engineers with the Soviet Union to provide it with its advanced technology, company officials said Thursday.

At the request of the Chernobyl nuclear power station, Chubu electric will send some of its engineers next June, though details have yet to be fixed, the officials said.

In return, Chernobyl hopes to send some of its engineers to Japan in October next year, they said.

It will be the first time for a Japanese electric power company to exchange engineers with the Chernobyl nuclear plant.

The exchange will be made under a program backed by the World Association of Nuclear Operators (WANO), which was set up in the wake of the accident at Chernobyl in April 1986.

Through the exchange, Chubu Electric aims at ensuring safety at its plants by learning the lessons of the Chernobyl accident, as well as helping to boost nuclear construction worldwide, the officials said.

To this end, the company hopes to exchange detailed information on nuclear power plants, including management, maintenance, and emergency measures, they said.

Tokyo Electric Power Co. and Kansai Electric Power Co. are also considering similar exchange programs to support the Soviet Union in nuclear engineering, industry sources said.

Construction Firm To Tie Up With German Firm

OW1807114291 Tokyo KYODO in English 1027 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—Obayashi Corp. announced Thursday it has agreed to tie up with a German construction giant, Ed Zublin AG, to cooperate in construction work in Germany, Eastern Europe and Japan.

This will be Obayashi's second business tie-up with a foreign builder, company officials said. The firm already has links with Fluor Daniel Inc. of the United States.

The new business will include cooperation in construction works in Germany, Eastern Europe, and Japan, and exchange of construction technology and employees, the officials said.

In particular, the partners will focus on construction works in Berlin, they said.

Ed Zublin, Germany's seventh largest constructor with some 6,000 employees, had a turnover of about 1,226 million marks in 1989.

Obayashi has so far introduced technology on connecting reinforced bars from the German construction firm and has sent some trainees to Germany, the officials said.

Survey: Most LDP Dietmen Support UN Role

OW1807141191 Tokyo KYODO in English 1318 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—Almost 95 percent of ruling party parliamentarians think Self-Defense Forces (SDF) personnel should play some role in United Nations peacekeeping activities, according to a survey released Thursday by the Liberal Democratic Party's [LDP] official newspaper.

But just over half of LDP members would back SDF participation in armed UN peacekeeping forces, the survey found.

The JIYUSHIMPO said 94.9 percent of LDP Diet members think SDF personnel should be involved in UN peacekeeping operations in one way or another.

Of these lawmakers, 57.3 percent said SDF personnel should take part in peacekeeping operations as members of an organization independent of the SDF. Another 37.6 percent said Japanese laws should be revised to allow the SDF itself to take part.

Just over half the surveyed Diet members—54.6 percent—said the SDF should take part in armed UN peacekeeping forces.

But 76.6 percent approved the participation of SDF personnel in UN ceasefire monitoring forces, saying that would pose no constitutional problems.

Japan's war-renouncing postwar Constitution is generally interpreted as prohibiting the overseas dispatch of the SDF.

The survey, conducted by the JIYUSHIMPO from June 25 to July 8, covered 394 LDP members of the two houses of the Diet, of whom 241 responded. It will appear in the July 23 issue of the paper.

The poll quoted 88.1 percent as saying that the Japanese people would back the participation of SDF personnel in UN peacekeeping operations, and 71.6 percent as predicting that such participation would not make neighboring countries feel uneasy.

The international role of the SDF is a sensitive issue in other Asian countries, many of which suffered under Japanese military occupation during World War II.

Bank Not To Receive $30 Million From BCCI

OW1807005691 Tokyo KYODO in English 2341 GMT 17 Jul 91

[Text] Tokyo, July 18 KYODO—The Industrial Bank of Japan (IBJ) will not receive some 30 million dollars for purchases of the U.S. currency in exchange for the yen from the Bank of Credit and Commerce International (BCCI) S.A. after regulators froze BCCI's assets, the NIHON KEIZAI SHIMBUN newspaper reported Thursday.

The freezing of BCCI's assets July 5 shortly after the closing of the Tokyo Foreign Exchange market left the bank unable to settle its yen-dollar transactions in New York, where the settlement of the transaction was to be concluded.

The New York financial market opens several hours after the Tokyo market closes.

The Nikkei quoted industry analysts as saying U.S. and European monetary authorities' lack of consideration for the impact of the timing of the asset-freezing on the Tokyo market was partly to blame for IBJ's loss as well as the bank's blind trust in its clients.

Assets belonging to the Luxembourg-based bank were frozen following allegations of fraud.

Ministry Considers Closure

OW1807103691 Tokyo KYODO in English 1018 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—The Finance Ministry is considering ordering the Tokyo branch of the Bank of Credit and Commerce International (BCCI) to halt its business and protect its assets, a ministry official said Thursday.

Such a move, unprecedented against a foreign bank in Japan, would follow similar measures taken last week by international banking regulators led by the Bank of England against BCCI branches around the world, for alleged fraud involving the Luxembourg-based bank.

The ministry official said a final decision on moves against the bank depends on the results of probes of the bank's operations being conducted separately by the Finance Ministry and the Bank of Japan.

Although the bank's Tokyo branch has been closed voluntarily since Monday, Japanese regulators have not frozen its assets, sparking criticism that Japanese regulators are too slow to take action against the branch.

With deposits of some 50 billion yen as of the end of March, the Tokyo branch's financial clout is small.

Depositors are mostly corporate customers, according to officials who spoke on condition of anonymity.

Komatsu Confidential Documents Sold to Rivals

OW1807081391 Tokyo KYODO in English 0310 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—An information broker arrested for allegedly attempting to steal confidential documents on new products from major construction machinery maker Komatsu Ltd. sold the firm's secret papers to some rival companies, police quoted the suspect as saying Thursday.

Officials of an Osaka-based forklift maker, Toyo Umpanki Co., admitted Wednesday the company bought confidential information about Komatsu by the broker, Kiyoshi Ota, 51. The company denied knowing how the photocopies of secret documents were obtained.

Police said since 1988, Ota has received more than 10 million yen from Toyo Umpanki for the information.

They quoted Ota as telling them he tried to sell Komatsu's secret papers to about 10 other companies, including a heavy industrial machinery company headquartered in Tokyo, and some of them bought the documents.

Komatsu is the world's second-largest manufacturer of construction equipment. Toyo Umpanki, less than one-tenth the size of Komatsu, ranks third in Japan as a maker of forklifts.

According to police, Ota broke into the main office of Komatsu in Tokyo last December and attempted to locate any valuable documents by looking through desks and lockers. Finding most of these locked, he left empty-handed.

They suspect Ota returned on a different occasion to steal the information and are looking into whether he had an accomplice.

More Firms Confirmed Involved

OW1807132491 Tokyo KYODO in English 1237 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—Police confirmed on Thursday that 14 machinery makers, including Mitsubishi Heavy Industries Ltd. and Kawasaki Heavy Industries Ltd., were involved in a case of alleged industrial espionage concerning secret documents stolen from Komatsu Ltd.

The companies obtained the confidential papers on Komatsu's new products from Kiyoshi Ota, a 51-year-old information broker, who was arrested Tuesday for allegedly making photocopies of the documents and selling them to Toyo Umpanki, an Osaka-based forklift maker.

According to police, Ota has received more than 10 million yen from Toyo Umpanki for the information since 1988. The broker attempted to sell the secret papers to over 10 other Komatsu rivals.

Police on Thursday sent investigators to the 14 companies other than Toyo Umpanki and asked them to voluntarily submit the confidential documents suspected of being stolen by Ota from Komatsu.

The Komatsu documents allegedly pilfered by Ota were stamped "secret" and included the firm's detailed plans for model changes and product prices.

Police said Ota broke into the main office of Komatsu in Tokyo last December and attempted to locate valuable documents by searching through desks and lockers. Finding most of these locked, he left empty-handed, but police suspect he returned on another occasion to steal the information and are now looking into whether he had an accomplice.

Police will question officials of the 14 companies to discover whether they paid any money to Ota to obtain the secret documents.

Teruo Oyama, chief of the public relations section of Mitsubishi Heavy Industries, said he regretted that his company is involved in a spying case and added that Mitsubishi would also be conducting its own investigation.

Witnesses in Broker Case Not Called To Testify

OW1807125091 Tokyo KYODO in English 1213 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—A key legislative committee decided Thursday not to call witnesses to the Diet for public testimony set for July 25 on the recent scandals involving the big four brokerage houses.

The decision by the House of Representatives' Committee on Finance came despite strong demands from opposition parties that executives of the four brokerage houses be called to the Diet to testify on the scandals.

Senior officials of Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co. had been expected to testify before the lower house committee.

Sources at the committee said the decision not to send invitations to witnesses was taken because of strong opposition from the ruling Liberal Democratic Party (LDP).

The LDP has given no specific reason why it opposes hearing testimonies from the securities firms' officials, but there is speculation that such testimonies would lead to further unsavory revelations, possibly implicating some politicians.

Nomura chairman Setsuya Tabuchi said last week that he would reveal everything he knows about the scandal if

summoned to testify in the Diet, a statement reported to have caused some jitters in the financial industry as being a threat to name companies whose losses were covered by the securities firms.

Opposition parties have particularly pressed to have Tabuchi and Nomura's previous president, Yoshihisa Tabuchi, called to the Diet for public testimony.

Yoshihisa Tabuchi stepped down last month after Nomura admitted compensating favored corporate clients for their investment losses and arranging a loan for an ex-leader of an underground crime syndicate.

The committee will instead call officials at the Finance Ministry and other government officials concerned for testimony over the scandals on July 25, the sources said.

KYODO News Service President To Resign

OW1807125591 Tokyo KYODO in English 1139 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—KYODO news service president Shinji Sakai will step down in September, officials of the news agency said Thursday.

His resignation, to take responsibility for a series of plagiarized articles, was approved at a board meeting the same day, the officials said.

Sakai will be succeeded by Yasuhiko Inukai, now managing director.

In the plagiarism case, which surfaced in May, a senior writer was dismissed for basing most of a series of medical features moved between April 1990 and April 1991 on a series that appeared in the major daily ASAHI SHIMBUN 17 years earlier.

A KYODO commission set up to investigate the case submitted a report Thursday on how to prevent the recurrence of similar cases, the officials said.

The KYODO board approved Sakai's resignation on the condition that he lay the groundwork for implementation of the panel's proposals to restore the news service's integrity, the officials said.

Sakai will formally resign at the next meeting of the board, slated September 19, the officials said.

Bank Governor Urges Tighter Risk Management

OW1807055491 Tokyo KYODO in English 0420 GMT 18 Jul 91

[Text] Tokyo, July 18 Kyodo - Bank of Japan Governor Yasushi Mieno Thursday called on banks to tighten their risk management amid liberalization and globalization of Japan's financial markets.

Mieno told a gathering of bankers from the Second Association of Regional Banks the changes will open up the possibility of increased operations and fatter profits. 'This will, at the same time, lead to the diversification and expansion of risks,' he said.

Banks should base their risk management policy on the principle that investors take complete responsibility for the risks they take and should aim to build up their net capital to take full advantage of the new business opportunities, he said.

The association is made up of regional banks which were converted from Sogo Banks, or mutual loan and savings banks.

Meanwhile, Hiroshi Yasuda, vice finance minister, read a prepared speech on behalf of Finance Minister Ryutaro Hashimoto.

Hashimoto said in the paper he will deal flexibly with financial and monetary policy in order to attain continous economic growth free of inflationary pressures.

He said he will continue to work on decreasing the government's reliance on bonds to raise funds, so as not to leave the burden on the coming generation.

Hashimoto said land prices in many areas of Japan are showing signs of relaxation, thanks to the ministry's guidance to regulate lendings to real estate concerns.

Michio Ochi, state minister and head of the Economic Planning Agency, projected the growth of Japan's gross national product in this fiscal year to accomplish a 3.8 percent level.

He also said a flexible economic policy, based on price stability, is necessary to continue the current economic expansion, supported by domestic demand and low inflation.

Report Views Impact of Country's Technology

OW1807082391 Tokyo KYODO in English 0801 GMT 18 Jul 91

[Text] Tokyo, July 18 KYODO—Japanese technology will have an increasing impact on global industry and economies through the first decade of the 21st century, according to a government report released Thursday.

Hopes are growing that world-leading technology, especially Japan's, will activate industries and economies and help solve global environmental problems, says the report issued by the Economic Planning Agency.

The report, the first systematic study of the possible effects of future technologies on industry and the economy, has already become a discussion topic for the Committee for the Year 2010 under the Economic Council, an advisory body to Prime Minister Toshiki Kaifu, agency officials said.

The study is the work of an agency-sponsored study group of 12 academic and business leaders whose research included four rounds of technological forecasting.

The researchers forecast the timing for practical use of 101 future-oriented technologies over the next 20 years and beyond, analyzing their expected effects—good and bad—on society and the economy.

The study group also compared the progress of current research and development in Japan, the United States, and Europe, finding that Japan leads the others in 29 of the 101 technologies.

Japan is tied for the lead in 24 technologies, in second place in 28, and in third in 20 areas, the report says.

Among technologies expected to be ready for practical use relatively soon, the report predicts that eight of them—including high-definition television, video phones, and electric cars—will be commonplace by 1995.

Some space-use technologies, including 100-story skyscrapers, artificial islands, and marine ranching, will become common by 2000, the report says.

Nine other technologies, including super-large air domes and underground distribution networks, will be practical by 2010, the report predicts.

However, the report says, in the areas of electronics, new materials, life science, and energy, it will take more time for advancing technologies to replace current ones.

For example, advancing technologies will replace current fuel cells by 2015, so-called "biocomputers" by 2020, superconductors and cancer medicines by 2030, and nuclear fusion reactors and treatments for Alzheimer's disease by 2050, according to the report.

North Korea

Delegation Head Briefs Newsmen on IAEA Issue

SK1807053691 Pyongyang KCNA in English
0513 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The head of the DPRK Foreign Ministry working delegation called a press conference in Vienna on July 16 on the working-level negotiations between the delegation and the International Atomic Energy Agency (IAEA) on the draft of the nuclear safeguards accord (NSA).

He told newsmen that through the negotiations the two sides completed the final arrangement of the NSA text without any difference in views.

Although the arrangement of the draft of the NSA between the DPRK and the Secretariat of the IAEA has been completed, this does not mean that the problem of U.S. nuclear threat to the DPRK, which causes great concern of the latter, has been solved.

The U.S. nuclear threat to us will be a main stumbling block not only in signing the NSA but in implementing it in the future.

We intend to resolve this problem through negotiations between us and the United States.

In this regard, we hope the member nations of the agency will actively cooperate from their respective positions.

The United States, too, must discharge its obligations under the Nuclear Non-proliferation Treaty [NPT] according to the principle of impartiality.

The South Korean authorities have introduced other country's nuclear weapons to jeopardize the survival of our nation.

It is a mockery of the treaty for the South Korean authorities who have exposed our nation to the danger of nuclear disasters to talk about the question of implementing the NPT.

If the South Korean authorities are truly interested in the implementation of the treaty, they must, above all, demand the withdrawal of U.S. nuclear weapons in compliance with the just demand of non-nuclear states for the removal of nuclear threat.

We cannot but mention the fact that Japan is clamoring about the question of our signing the NSA, while turning a blind eye to the huge amount of nuclear weapons present in South Korea. This only goes to prove that Japan which wants to become a military power is trying to find a pretext for the development of nuclear weapons in the future.

Our delegation takes this opportunity to make it clear that if unilateral pressure is put on us with regard to the implementation of the treaty, it will create artificial difficulties in the way of the signing of the nuclear safeguards accord.

Then, he answered questions put by reporters.

Answering the question of a reporter of the KYODO News Service of Japan as to whether we initialed the NSA, the head of our delegation said there was no need to do so.

Intention To Make Nuclear Weapons Denied

SK1807102791 Pyongyang KCNA in English
1011 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The South Korean puppet Defence Ministry in a document submitted to the "National Assembly" on July 15 prattled that the North is not only producing long-range Scud missiles but also turned out chemical warheads, according to a radio report from Seoul.

The puppets in the document also charged that the North "is showing no signs of discontinuing nuclear development".

This is an artifice of the South Korean authorities who leave the whole of South Korea to the U.S. imperialists as a nuclear powder magazine to cover up their criminal

acts, mislead public opinion and, thus, direct elsewhere the attention of the South Korean people and the world peaceloving people who are strongly demanding the withdrawal of the U.S. imperialist aggression troops and nuclear weapons from South Korea.

As we have declared on every occasion available, we have neither intention nor capacity to make nuclear weapons.

The more than 1,000 pieces of nuclear weapons in South Korea are the source of the dark clouds of nuclear war on the Korean peninsula and the main factor of threat to peace and security of the Korean nation and Asia.

The South Korean authorities' nonsensical talk that the North is "producing" something and "showing no signs" reveals their despicable attempts to defend the policy of nuclear blackmail of the U.S. imperialists, their master, and prolong their remaining days under the socalled "nuclear umbrella" of the United States.

South Denounced for 'Foiling' Seoul Meeting

SK1707233591 Pyongyang KCNA in English 2219 GMT 17 Jul 91

["Delegation of North Side's Headquarters of Pomminnyon Denounces South Korean Authorities for Foiling Seoul Preparatory Meeting"—KCNA headline]

[Text] Pyongyang July 17 (KCNA)—We strongly denounce the South Korean rulers' behavior in blocking the way to the South of our delegation again just as they did last year, considering it an intolerable challenge to the desire and aspirations of all the fellow countrymen for reunification, an anti-dialogue, anti-reunification, criminal act of blocking inter-Korean dialogue for reunification and independent contacts between people of broad strata.

The delegation of the North side's Headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) to the second meeting for the preparation of the '91 pan-national rally [PNR] said this in a statement issued today in connection with the fact that the meeting could not be held as scheduled because of the South Korean authorities' obstructive moves.

The statement says:

If the South Korean authorities really mean business in their recent glib talk about "reunification," "exchange" and the like, they should actively help to make as a successful grand festivity of the nation the '91 pan-national rally which compatriots of broad strata in the North, the South and overseas have promoted from long ago and which has already been brought to mature, instead of bringing up something like "joint celebration" and "pilgrimage march" all of a sudden when the 46th anniversary of the August 15 national liberation is drawing near at hand.

However, they regard the second PNR as heretical, referring to it as a meeting sponsored by an "illegal organization" of South Korea having no "representative orthodoxy." This will go down with no one.

The PNR is a square of dialogue for reunification and a grand gathering for national unity which was initiated with the noble aim of bringing together people of all walks of life in the North, the South and overseas who want to bring earlier reunification in the '90s to confirm each other's will for reunification, decide on the common way of achieving national unity and reunification and seek measures to ensure peace in the country.

That is why personages concerned with the PNR had already made clear their intention to make the authorities of the North and the South participate in the rally as guests of honour.

This notwithstanding, the South Korean authorities barred our participation in the Seoul preparatory meeting with a view to foiling the '91 PNR and blocking contacts between the people, the motive force of reunification.

By blocking the way to the South of us who intend to contribute to peace and reunification of the country this time they revealed of their own accord that their talk about "reunification," "exchange" and the like is a sheer lie and that they have no intention, in actuality, for "joint celebration of the anniversary of national liberation," "travels" and "dialogue."

The South Korean authorities must, although belatedly, discard their outmoded way of thinking of the past age and stop obstructing the convocation of the '91 PNR and the formation of the South side's Headquarters of Pomminnyon, release without delay not only Yi Hae-hak, Cho Song-u, Yi Chang-pok and others concerned with the Pomminnyon but also pro-reunification patriotic figures including Mun Ik-hwan, Yim Su-kyong and Mun Kyu-hyon and abolish the "National Security Law," an obstacle to dialogue and reunification.

Our delegation will fight it out to make a success of the Seoul pan-national rally at any cost together with broad strata of patriotic people in the North, the South and overseas who want reunification, and will go to Seoul to participate in the second preparatory meeting for the rally on July 25 as we have already clarified.

We take this opportunity to warmly call upon the people of all walks of life in South Korea and overseas to more staunchly struggle as ever till the day when the '91 pan-national rally will be opened, firmly united under the banner of national reunification.

Yun Ki-pok Reply to South's 'Statement' Viewed

SK1807065391 Pyongyang KCNA in English 0524 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—How the South Korean authorities react to the stand of ours clarified by

Yun Ki-pok, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland, in his statement and to the pan-national rally under preparation by the entire fellow countrymen in the North and the South and overseas will reveal the purpose sought by them in their "statement toward the North" and it will give an answer to the people's misgivings that they are trying to frustrate the second pan-national rally.

NODONG SINMUN today says this in a commentary supporting the statement of Yun Ki-pok dated July 16 in which he clarified our stand on the socalled "statement toward the North" issued by the South Korean authorities on July 15.

The proposals put forward by the South side in its "statement toward the North" are matters already initiated and being promoted by the "Pan-Korean Alliance for National Reunification" (Pomminnyon) and there is nothing new in them, the news analyst says, and continues:

The phraseology "sponsporship of the authorities" used by the South Korean authorities while talking about "civilian-level function" is ambiguous and their true intention is opaque.

This notwithstanding, our side accepted the proposal of the South side. This is a manifestation of our sincere and magnanimous stand for advancing toward reunification with joint efforts of the North and the South.

If the South Korean authorities truly want reunification and have the intention to hold a "grand march for reunification" on the occasion of the forthcoming August 15 to this end, they should show an affirmative approach to the just stand and demand clarified by our side in its statement.

The acts of the South Korean authorities synchronizing with their "statement toward the North", however, give rise to doubts among people.

The day after they proposed to hold the reunification festival as a "civilian-level function", South Korean authorities, far from releasing the persons who have been arrested while preparing for the inauguration of the South side's headquarters of Pomminnyon in order to hold the reunification festival at civilian level, held trials of them and sentenced them to prison terms. In view of this, anyone can hardly think that the South Korean authorities truly want to hold a civilian-level function for reunification.

We hope that the "proposals" brought forward by the South Korean authorities will not be another political burlesque disappointing the fellow countrymen.

The South Korean authorities must no longer lay an obstacle in the way of reunification while talking much about "unification" but agree to our proposition with a sincere stand. They must show their sincerity by participating in the second pan-national rally or guaranteeing all conditions for it, if they find this difficult.

Students Demand Release of Yim Su-kyong, Others

SK1807072191 Pyongyang KCNA in English 0438 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—Senior middle school girls in Pyongyang held meetings to strongly demand an immediate release of pro-reunification patriotic figures including Yim Su-kyong, the "flower of reunification".

The girls of Pyongyang Moranbong senior middle school No. 1 said that their elder sister Yim Su-kyong proudly participated in the 13th World Festival of Youth and Students as a delegate of the South Korean National Council of Student Representatives (Chondaehyop) and demonstrated to the world that the country is one and so is the nation. Regarding it as a task assigned to the new generation to achieve a peaceful reunification of the country at an earlier date, she conducted energetic activities for it, they noted.

They bitterly denounced the criminal acts of the No Tae-u ruling group in keeping the visiters to the North and patriotic students behind bars and trying to keep the country divided forever.

The pupils of senior middle school No. 1 in central district, Pyongyang, said not only coed Yim Su-kyong but Mun Ik-hwan, Yu Won- ho, Mun Kyu-hyon and other visitors to the North and Im Chong-sok, Song Kap-sok, Chon Mun-hwan, Kim Chong-sik and other patriotic students fell victim to anti-reunification evil laws due to brutal suppression by the South Korean rulers. They urged the abolition of the "National Security Law", a political barrier of national division, and an immediate release of all the "political prisoners".

Poems about coed Yim were recited and letters to her read out at the meetings.

South's First-Half Trade Deficit Reported

SK1807110691 Pyongyang KCNA in English 1018 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The South Korean authorities suffered a trade deficit of 6,341 million dollars in the first half of the year, "the largest ever in history", 1,513 million dollars more than the whole amount of last year, according to a report.

Thus the 7,000 million dollar annual deficit ceiling set by the authorities is fated to be scuttled.

4,810 enterprises gave up export or went bankrupt owing to dull export, resulting in mass dismissal of workers.

This trade deficit has driven into a fix the authorities who were saddled with foreign debts of 32,420 million dollars at the end of January.

CPC Friendship Delegation Returns Home 6 Jul

SK1807050891 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 6 Jul 91

[Text] A friendship delegation of the Communist Party of China [CPC] headed by Yin Kesheng, secretary of the CPC Qinghai Provincial Committee, today returned home by train.

In Pyongyang railway station, the delegation was seen off by Kwon Min-chun, deputy director of a department of the Central Committee of the Workers Party of Korea, and Chinese Ambassador to our country Zheng Yi.

Jiang Zemin Replies to Kim Il-song's Greetings

SK1807040891 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 12 Jul 91

[Reply message from Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, to Kim Il-song, general secretary of the Worker's Party of Korea [WPK] on 10 July—read by announcer]

[Text] Pyongyang

Comrade Kim Il-song, general secretary of the WPK Central Committee:

I received the congratulatory message you sent to us on the occasion of the 70th anniversary of the founding of the CPC.

I express my sincere thanks. I hope that the friendship between our two parties and two countries will continue to develop.

Jiang Zemin, general secretary of the CPC Central Committee
Beijing, 10 July 1991

PRC Friendship Delegation Visits Mangyongdae

SK1807050691 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 13 Jul 91

[Text] The delegation of the Chinese People's Association for Friendship With Foreign Countries [CPAFFC] and the China-Korean Friendship Association, headed by CPAFFC President Han Xu, visited Mangyongdae.

Visiting the old home in Mangyongdae, the guests were briefed on the great leader Comrade Kim Il-song's glorious and brilliant revolutionary history and his revolutionary family. They attentively reviewed the carefully-preserved revolutionary relics.They had a picture taken to commemorate their visit to the old home in Mangyongdae.

The delegation also toured the Paektusan Architectural Research Institute. They heard an explanation about the construction of this research institute as an excellent base for implementing our party's profound construction plan. They toured the photo-exhibition room, sample-exhibition hall, and other facilities.

After the tour, the head of the delegation said that the Korean people did an excellent job in building a great number of monumental creations in a short period of time with their own strength and wisdom. He also stated that Korea's development can be seen in the magnificent newly-built Kwangbok Street.

The delegation visited many other sites including the Tower of Chuche, the Triumphal Arch, the International Friendship Exhibition Hall, the Memorial Hall of Victory of the Fatherland Liberation War, May Day Stadium, and Sohae lockgate.

Resolutions on Normalization Adopted in Japan

SK1807072591 Pyongyang KCNA in English 0434 GMT 18 Jul 91

[Text] Tokyo July 16 (KNS-KCNA)—Resolutions and recommendations of autonomous assemblies of Japan demanding the normalisation of Japan-Korea diplomatic relations were adopted in Hyogo, Nara, Okayama, Kochi and Yamanashi Prefectural Assemblies in early July and then a recommendation was adopted at the Tokyo Metropolitan Assembly on July 11. This brought the number of them to 1,205.

Resolutions demanding the establishment of Japan-Korea diplomatic relations were adopted at the youth and women's departments of the Yamaguchi Prefectural Teachers Union.

Trade Protocol for 1991 Signed With Bulgaria

SK1807060491 Pyongyang KCNA in English 0446 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—A trade protocol for 1991 was signed here on July 17 between the Governments of the Democratic People's Republic of Korea and the Republic of Bulgaria.

It was signed by Kim Chu-song, vice-minister of foreign trade, and Kosta Nikolov, general secretary of the Ministry of Foreign Economic Relations of Bulgaria.

Inaugural Meeting of SRV-Korea Friendship Club

SK1807050291 Pyongyang KCNA in English 0426 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—An inaugural meeting of the Vietnam-Korea Friendship Club was held in Hanoi on July 12.

Tran Tho Chu, vice-director of the construction company of the Hoa Binh hydraulic power station, who was elected chairman of the club, in his speech said that the fraternal friendship between Vietnam and Korea was provided by President Ho Chi Minh and respected President Kim Il-song. The two countries have understood better and have actively supported and cooperated with each other for the commonness of the historical circumstances, he noted, adding:

The Workers' Party of Korea, the DPRK Government and the Korean people under the wise leadership of respected President Kim Il-song have supported and encouraged with might and main the Vietnamese people in their struggle for national reunification in the past.

Trained thousands of Vietnamese students and trainees studied economy, culture, science and technique in Korea. [sentence as received] They are reliably contributing to the socialist construction of Vietnam.

Jordanian Communist Sends Message to WPK

SK1807072391 Pyongyang KCNA in English
0435 GMT 18 Jul 91

[Text] Pyonghang July 18 (KCNA)—A solidarity message came to the Central Committee [C.C.] of the Workers' Party of Korea [WPK] on June 30 from Ya'qub Zayadin, general secretary of the C.C., the Jordanian Communist Party, supporting the joint statement of the political parties and public organisations of the DPRK.

He in his message said that the joint statement evoked support and sympathy of Jordanian communists as it deals with a very important question of defending peace on the Korean peninsula and dismantling nuclear weapons from there.

The message noted:

Your assiduous efforts for the peace and reunification of Korea and the security of the Asian countries and the world are respected and admired by the world people including the Jordanian people.

We express support and solidarity for your efforts for the peace and reunification of the country.

Kim Tal-hyon Attends Commissioning of Center

SK1807072991 Pyongyang KCNA in English
0507 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—The Pyongyang program centre was commissioned with due ceremony on July 17.

Present at the ceremony were Vice-Premier Kim Tal-hyon, Cho Chae-tok, vice-minister for the reception of overseas compatriots, other officials concerned and employees of the centre.

Choe Yong-pan of the Sintongil Pyongron office under the General Association of Korean Residents in Japan (Chongnyon), and his party, heads of Chongnyon delegations staying in the socialist homeland, and Henning Karcher, resident representative of the UNDP [United Nations Development Program] here, and members of his mission were on hand.

The participants went round the modernly-equipped centre and up-to-date facilities.

A party was given in the evening.

Soldiers Commemorate 'Hero Squad Movement'

SK1807105591 Pyongyang KCNA in English
0959 GMT 18 Jul 91

[Text] Pyongyang July 18 (KCNA)—A meeting of young soldier-frontrankers in the Hero Squad Movement of the Korean People's Army [KPA] was held on July 17 in front of the Samjiyon grand monument in Yanggang Province.

The Hero Squad Movement initiated by the dear leader Comrade Kim Chong-il is a mighty mass innovation movement to bring up the young soldiers of new generation into heroes struggling with all devotion for the cause of defending the motherland in conformity with the demand of the reality in which the heroism of our people that has been succeeded and developed through generations from the anti-Japanese revolutionary struggle is growing in scope and depth as an inseparable part of the life of the masses.

The meeting summed up achievements in the Hero Squad Movememt and discussed tasks to bring up the soldiers of new generation to be young heroes in the '90s by intensifying the movement in close combination with the three-revolution, ideological, technical and cultural, Red Flag Movement.

Present at the meeting were more than 3,500 young soldiers of the Korean People's Army and the Korean People's Security Forces who had performed feats in the van of the Hero Squad Movement.

A congratulatory message of the Central Committee of the Workers' Party of Korea [WPK] to the participants in the meeting was read by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee [C.C.] of the WPK, vice-chairman of the Defence Commission of the DPRK and minister of People's Armed Forces.

Following the brilliant examples of the anti-Japanese revolutionary forerunners and the hero soldiers of the Great Fatherland Liberation war against the U.S. imperialist aggressors, the young soldier-frontrankers in the Hero Squad Movement have firmly prepared their squads politically and ideologically, militarily and technically, and physically and thus greatly contributed to guiding our People's Army to be loyal to and discharge their filial duties for the party and the leader as the army of the party, the army of the leader, the message said, and went on:

All the soldiers who are powerfully waging the Hero Squad Movement with the 60th founding anniversary of the heroic Korean People's Army falling next year should effect a new turn in increasing the combat capacity of the units and perfecting the combat preparedness and should add luster to the glory of the revolutionary armed forces boundlessly faithful to our party, who, without the slightest vacillation in whatever grim tests, will share

weal and woe forever with the party, trusting only it, and defend the party and the leader politically and ideologically with their own lives.

Yi Chong-mu, chairman of the KPA Committee of the League of Socialist Working Youth of Korea, made a report at the meeting.

The reporter said:

Noting that many heroes such as Yi Su-pok (hero who silenced the enemy's pillbox with his body in a battle on Height 1211 during the Korean war) can be produced in the People's Army only when the work with young soldiers is done well, the dear leader Comrade Kim Chong-il put up the slogan "Let us all become Kim Chins and Yi Su-poks in the 1990s!" before the youth league organisations of the People's Army and guided the work of thoroughly implementing this slogan through the Hero Squad Movement.

The young soldiers must intensify combat training, turn their posts and positions into iron fortresses, thoroughly prepare weapons and combat technical equipment for mobilization in accordance with the noble revolutionary duty of the People's Army as a matchless hero unit to smash and imperialist aggressors at one stroke.

Speeches were made at the meeting.

The speakers said the young soldiers must firmly equip themselves with our party's military idea of self-reliance and chuche war tactics, take the lead in making the whole Army a cadre army and modernising the whole Army with the revolutionary faith that when the party is determined, we will do anything and must keep themselves in alert and preparedness for action to cope with the new war provocation moves of the enemy and perform heroic feats.

A letter of pledge to the C.C., the Workers' Party of Korea was adopted at the meeting.

Earlier, the participants had gone round the revolutionary battle sites in Mt. Paektu.

Opera Director Credits Success to Kim Chong-il

SK1707063991 Pyongyang KCNA in English 0502 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA)—A meeting was held here on July 16 to mark the 20th anniversary of the founding of the Pibada Opera Troupe (July 17, 1971).

A congratulatory message of the Central Committee [C.C.] of the Workers' Party of Korea to the creating staff of the Pibada Opera Troupe was read by Chang Chol, vice-premier of the Administration Council and minister of culture and art.

The message said that the Pibada Opera Troupe which has covered a glorious road in the past 20 years together with the revolutionary opera "Sea of Blood" has successfully fulfilled its noble mission and tasks of making a chuche-oriented revolution in the opera and creating and performing revolutionary works of literature and art under the wise guidance of the party and the leader.

It noted with high appreciation that the creative staff of the opera troupe remained loyal to the party and the leader and greatly contributed to the development of the art of chuche by creating and performing the revolutionary operas and many songs and dances representing our party's chuche-based policy of literature and art.

Kim Won-kyun, director of the Pibada Opera Troupe, made a report at the meeting.

He said:

The dear leader Comrade Kim Chong-il unfolded a far-reaching plan to usher in a great heyday of chuche-based art by making revolution in literature and art long ago, defined it as the main task of the opera revolution to modernize and popularize opera art on the basis of the revolutionary content and national and popular style and saw to it that the immortal classical masterpiece "Sea of Blood" was put on stage as the first work.

While covering a glorious road of struggle under the wise guidance of our party, the Pibada Opera Troupe has strengthened and developed into a creating collective of revolutionary operas which remains loyal to the party and the leader and is loved by the people and a reliable base of the creation of operas, songs and dances which is constantly developing the chuche-based opera art.

A letter to the C.C., the Workers' Party of Korea was adopted at the meeting.

Effort for Technological Innovation Urged

SK1807145391 Pyongyang Korean Central Broadcasting Network in Korean 0017 GMT 16 Jul 91

[NODONG SINMUN 16 July editorial: "Let Us Carry Out the Mass-Oriented Technological Innovation Movement Even More Vigorously"]

[Text] Today, the party members and working people across the country are vigorously struggling to brilliantly accomplish the tasks of the second year of the 1990s, while upholding our party's far-reaching socialist economic construction plan.

One of the important tasks in which all sectors of the people's economy can display the superiority of our style of socialism and further increase production and construction is to carry out the mass-oriented technological innovation movement vigorously.

Dear leader Comrade Kim Chong-il has noted: All sectors should set even higher demands for the technological revolution and should push ahead with the mass-oriented technological innovation movement even more vigorously.

The mass-oriented technological innovation movement is a dynamic mass-oriented movement to fulfill the socialist economic construction by accelerating the technological revolution and by mobilizing hidden resources. To step up the chucheization, modernization, and scientification of the people's economy and to produce and build at a rapid pace, the technological innovation movement should be carried out even more vigorously.

Today, we are fulfilling a heavy and extensive economic plan. We should step up the construction of the Sariwon Potash Fertilizer Complex, the construction of the 9 October Steel Complex, the construction of power stations, the construction of 50,000 houses in Pyongyang, and other major construction projects. We should stabilize production in the mining and power industries, in the sector of railway transportation, and in all other sectors of the people's economy.

Today, we should create a new speed of the 1990s by effecting even greater upsurges in production and construction. This situation demands us to ceaselessly renew the old standards, production methods, and technologies.

Only when the mass-oriented technological innovation movement is actively carried out in all sectors and units of the people's economy, can the problems of science and technology arising in production and construction be properly solved, and the socialist economic construction be pushed ahead vigorously. The vigorous mass-oriented technological innovation movement is a guarantee for successfully accomplishing the given economic tasks by all sectors and units; for meeting the party's demand to produce and build more with our own effort and technology, with our own materials and resources, and with our capital; and for utilizing the available manpower, materials, and facilities most effectively.

What is most important in carrying out the mass-oriented technological innovation movement is the functionaries' and working people's correct outlook on the technological innovation and their active participation in the movement.

Technological innovation is precisely what is needed for accelerating production and construction. If emphasis is placed only on the ongoing production and construction, because of their urgency, new innovations are not possible.

Functionaries and working people should perform with the understanding that they will accomplish their tasks with technological innovation, as higher and heavier goals are set.

In particular, the economic guidance functionaries should correctly know that technological innovation is an important task to enhance the pace of production and construction, improve the qualities of production and construction, and guarantee an independent and creative life for the people. By so doing, they should seek the technological innovation in a revolutionary manner.

The technological innovation movement demands that the party members and working people positively participate in it with faith and with self-consciousness worthy of masters.

Technological innovation is not someone else's job. All people can become the creators of new technology and can become innovators, if they make efforts. All party members and working people should actively participate in the technological innovation movement by believing that they, too, can become inventors, creators, and experts, if they make efforts. They should make steady efforts to effect at least more than one technological innovation.

It is necessary to be bold and persistent for technological innovation. As is always the case, innovation will not be possible in the technological innovation movement, if we only continue to calculate and hesitate.

Functionaries and working people should ceaselessly seek technological innovation with fresh ideas, positive initiative, and bold practice. By so doing, they should actively contribute to accelerating production and construction.

In the course of the technological innovation, it is possible that we may encounter failures and difficulties. However, if we falter due to failure or give up halfway because of difficulties, this is not a revolutionary working style.

In implementing the party's policy of the technological revolution, persistence is necessary. Functionaries, working people, scientists, and technicians, with indefatigable fighting spirit, should continue to persistently struggle to accomplish the given technological innovation tasks, once they begin a technological innovation project.

Strengthening creative cooperation among workers, scientists, and technicians is our party's invariable policy, and is an effective way to step up the technological revolution. If the workers' rich on-the-job experiences and the scientific and technological knowledge of scientists and technicians are properly combined, this will enable us to solve all scientific and technological problems, no matter how difficult they may be.

Scientists, technicians, and workers, by displaying the spirit of communist collectivism, should learn from one another and pool their creative wisdom and strength. By so doing, they should swiftly solve the scientific and technological problems in production and construction. In particular, the scientists, technicians, and workers, who perform at the major construction sites and at plants and enterprises by upholding the party's appeals, should display the spirit of creative cooperation even more highly and should produce good tangible results in their activities.

It is important that the party organizations and functionaries vigorously push ahead with the technological innovation to carry out the mass-oriented technological innovation movement vigorously. Experience shows that the flames of the technological innovation rise high and that innovative successes are won at the units where the party organizations and functionaries direct deep attention to the mass-oriented technological innovation movement and mobilize the masses correctly.

The party organizations and functionaries of all levels in all sectors and units of the people's economy, based on the specific analysis of the situation and future of their units, should adequately work out step-by-step technological development plans and fulfill them without fail by regarding them as the tasks given by the law.

The masses are the masters of technology and they are the creators of technology. If the masses' endless wisdom and creativity are utilized, valuable ideas of technological innovation, creation, invention, and improvement can be developed without limit.

The party organizations and functionaries should conduct the organizational and political work among the party members and working people to properly explain the party's demand for the vigorous technological innovation movement, and should make them voluntarily and positively participate in the technological innovation movement with ardent loyalty to the party.

In carrying out the technological innovation movement, ordinary appeals or accentuation are not enough to produce results. The party organizations and functionaries should further systematize the technological innovation movement, adhere to it purposefully, and push ahead with it vigorously.

Functionaries should correctly assign the tasks of technological innovation according to the specific conditions of the target units, should raise the level of demand, and should extensively organize such events as technological innovation debates, experiential seminars, and invention exhibitions. At the same time, they should give support so that new initiatives and inventions of the masses are actively put into perfection and practice, and so that valuable technological innovations are universalized and swiftly introduced into production and construction.

The members of the technological innovation shock brigades are the forerunners of the technological revolution. The party organizations and functionaries should place a special emphasis working with the members of the technological innovation shock brigades, such as the 15 April Technological Innovation Shock Brigade and the 17 February Scientist and Technician Shock Brigade, and should help them make a great contribution in effecting technological innovations.

The party organizations should effectively push ahead with the mass-oriented technological innovation movement by closely linking it with the movement to win the Red Flags of the Three Revolutions and with the movement to follow the examples set by the unsung heroes.

All functionaries and working people should attain this year's goals ahead of schedule and effect a new turn in the socialist economic construction by vigorously stepping up production and construction by further raising the flames of the mass-oriented technological innovation movement.

KCNA Review of 18 Jul Pyongyang Press

SK1807054891 Pyongyang KCNA in English 0448 GMT 18 Jul 91

[Press review]

[Text] Pyongyang July 18 (KCNA)—Papers here today carry a message of greetings to President Kim Il-song of the Democratic People's Republic of Korea from France Albert Rene, president of the Republic of Seychelles, on the occasion of the 38th anniversary of the victory of the Korean people in the Fatherland Liberation War.

Appearing in NODONG SINMUN is a message of solidarity to Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea, from Chairman Vassos Lyssarides and Secretary General Takis Khatzidhimitriou of the C.C., the Socialist Party of Cyprus on the occasion of the month of international solidarity for supporting the peaceful reunification of Korea.

Printed in the press is news that U.S.-KOREA NEWS published by the U.S.-KOREA News Service in Los Angeles, the United States, gave wide publicity to reports that the dear leader Comrade Kim Chong-il received gifts from the Cambodian president and foreign delegations.

A NODONG SINMUN article introduces Toksong County, South Hamgyong Province, which has been turned into a people's paradise under the wise guidance of Comrade Kim Chong-il.

An article of MINJU CHOSON deals with the wise guidance of Comrade Kim Chong-il in solving more satisfactorily the traffic problem in Pyongyang.

Solidarity letters came to the C.C., the Workers' Party of Korea from foreign parties in support of the joint statement of the political parties and public organizations of the DPRK, says NODONG SINMUN.

The paper editorially calls for a production upswing in mining and power industries and railway transport.

Dailies report that crops are ruling good this year and the power transmission line extending 40 kilometres between Pukchang and Sunchon has been completed.

Given in the press is an account of a meeting of young soldier-frontrankers in the hero squad movement of the Korean People's Army held in Samjiyon County, Yanggang Province.

NODONG SINMUN informs the readers that the Pyongyang program centre was commissioned with a due ceremony.

NODONG SINMUN and MINJU CHOSON carry articles under the respective titles "Factory College Is Most Advanced and Superior Form of Studying-While-on-the-Job Education of Our Style" and "To Implement Mass Line Is Principle of Planning."

NODONG SINMUN reports that the Burundi president and prime minister visited a national handiwork exhibition held in Burundi, the Malian prime minister met with the charge d'affaires ad interim of the DPRK Embassy in his country and talks between the delegations of the Workers' Party of Korea and the Spanish Communist Party were held in Pyongyang.

Korean girls placed first in the women's team event of gymnastics at the 16th universiad, according to the press.

Papers inform the readers that a protocol on trade between the Korean and Bulgarian Governments was signed in Pyongyang and the starting ceremony of international children's camping was held at the Children's Union mountaineering camp in Hyangsan.

The press prints a statement issued by the delegation of the North side's headquarters of the Pan-Korean Alliance for National Reunification which was to participate in the second preparatory meeting for the '91 pan-national rally as the meeting could not be held as scheduled due to the obstructions of the South Korean authorities.

A NODONG SINMUN commentary says our stand toward the South Korean authorities' "proposal for the North" is a just stand.

Papers report that a meeting of women students was held at Pyongyang University of Dramaturgy and Cinematics demanding an immediate release of coed Yim Su-kyong.

It is reported in papers that university students in Seoul held a rally to defend Chondaehyop [National Council of University Student Representatives] and rescue its chairman and staged a protest and the South Korean authorities passed prison terms on the co-chairman and the chief secretary of Chonminnyon [National Democratic Alliance of Korea].

NODONG SINMUN carries the first instalment of an article on the true colour of the "security planning board," a den of anti-communist plots and repression in South Korea.

The papers report that the participants in the Tokyo meeting of Korean Christians in the North, the South and overseas demanded the withdrawal of the U.S. troops and nuclear weapons from South Korea.

Rallies and functions were held in foreign countries demanding the withdrawal of the U.S. troops and nuclear weapons from South Korea on the month of anti-U.S. joint struggle (June 25-July 27).

NODONG SINMUN reports that a meeting of Korean women in Japan was held in Tokyo to mark the 45th anniversary of the promulgation of the law on the equality of the sexes.

Foreign publications gave wide publicity to the official application of the DPRK for U.N. membership, according to the paper.

The paper reports that the Political Bureau of the C.C., the Communist Party of China discussed measures to prevent flood damages, broad masses participated in the efforts to prevent flood damages, the premier of the State Council of China visited Middle East nations, the Indian prime minister mentioned the economic policy of the government and the grand National Assembly of Bulgaria adopted a new Constitution.

The paper runs an article entitled "Imperialists and Reactionaries Are Real Violators of Human Rights."

South Korea

Ministry Reports North Refuses To Sign Accord

SK1707124491 Seoul YONHAP in English 1234 GMT 17 Jul 91

[Text] Seoul, July 17 (OANA-YONHAP)—North Korea has failed to initial the Nuclear Safeguards Standard Accord with the International Atomic Energy Agency (IAEA) although it agreed on it, a Foreign Ministry official said Wednesday.

The North was expected to initial the accord after reaching an agreement on it but refused on the ground that it had accepted the IAEA's version without any correction and the IAEA understood Pyongyang's position, he said.

North Korea's objection to initialing the accord, however, was not seen to boycott the signing of it, he said.

"Unlike in the case of other nuclear non-proliferation treaty signatories, the IAEA seemed to call on the North to initial the accord to find out its true intention," he said.

Foreign Minister Answers Questions on UN Entry

SK1807091491 Seoul YONHAP in English 0810 GMT 18 Jul 91

[Text] Seoul, July 18 (OANA-YONHAP)—The normalizations of South Korea-China and North Korea-Japan relations will progress almost simultaneously, but the

diplomatic recognition between Pyongyang and Washington is most likely to be realized after these two events, Foreign Minister Yi Sang-ok said Thursday.

On the possibility of inter-Korean foreign ministers' meeting during the U.N. General Assembly in September, Yi said it is too early to tell and depends on who North Korea sends to the Assembly.

Yi, in a question-answer session after a luncheon hosted by the Korea broadcasting journalists club, expressed his hope that South and North Korea will be able to discuss even non-U.N. issues during their contacts at the U.N. Headquarters.

The South Korean Government, however, should remain the sole official channel of dialogue on critical issues such as national reunification and developments on the Korean peninsula, Yi said.

"After South and North Korea join the United Nations, contacts between representatives of the two sides will emphasize close cooperation within the United Nations. But the main issues on national unification and the development on the Korean peninsula should be kept separate for discussions at Panmunjom," the foreign minister said.

Asked when North Korea is likely to normalize ties with Japan and the United States, Yi said these events must be considered in a larger context of diplomatic recognitions involving South Korea, North Korea, Japan and the United States.

Seoul-Beijing, Pyongyang-Tokyo ties are expected to progress simultaneously, Yi said, and Pyongyang-Washington ties will probably be the last step in this cross-recognition process.

On the possibilty of South-North Korea foreign ministers' contact during the U.N. General Assembly this September in New York, Yi said he does not yet know who will attend the global meeting from the Pyongyang side.

A formal dinner among representatives from the Asia-Pacific nations, as in last year, is scheduled during the General Assembly. It is too early to tell whether North Korea will attend the event and who will attend, the foreign minister said.

North Korea, in its keynote speech at the U.N. General Assembly, may bring up its past demands that the 43,000 American troops be pulled out of South Korea, the United Nations Command (UNC) be disbanded and the 1953 Korean Armistice Agreement be replaced by a peace regime.

"The fact that the presence of U.S. troop does not hinder national unification has been proven by Germany," the foreign minister said.

"In fact, the presence contributes to maintaining peace and stability on the Korean peninsula," he said.

UNC is a signatory to the Armistice Agreement, and its disbandment signifies nullification of the Armistice itself, Yi claimed.

Reiterating that the "true, real" negotiation parties for the Armistice Agreement replacement is South and North Korea, the foreign minister said the UNC must stay until basic conditions for replacing the Armistice with a peace regime have been met.

Compromise on Joint Reunification Gala Sought

SK1807021591 Seoul YONHAP in English 0151 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—South Korea will actively seek to compromise with North Korea on the two sides' proposals for joint celebration of the national liberation day Aug. 15, a highly-placed government official said Thursday.

"We don't see North Korea's reaction to our proposal as a definite rejection. We will make utmost efforts to compromise our offer of the reunification gala with North Korea's pan-national rally," the official said on condition of anonymity.

The South Korean Government on Monday proposed to North Korea to jointly celebrate the liberation day, by holding a cross-country pilgrimage, symposiums on national reunification, prayer meetings and cultural festivities.

Yun Ki-pok, vice chairman of the North Korean Committee for the Peaceful Reunification of Fatherland, in a statement Tuesday handed out a few preconditions such as Seoul's release of people detained for dissident activities, guarantee for the smooth proceeding of the pan-national rally.

The pan-national rally is being promoted by Pomminnyon [Pan-National Federation for Reunification], a grouping of South Korean dissidents, North Koreans and Koreans living abroad.

The South Korean Government has earlier rejected the rally on the ground that its participants could not be regarded as properly representing the Korean people, and arrested Kim Chong-sik, chairman of Chondaehyop (the National Alliance of Student Representatives), and a few other promoters of the rally on suspicion of violating the National Security Law.

"There are several things in common in both sides' proposals such as the cross-country pilgrimage, discussions and cultural events, and we believe a compromise can be reached on these events," the official said.

He said the government would sound out North Korea on the possibility of compromise in a liaison officers' contact for inter-Korean premiers' talks Friday.

The government has asked "surrounding powers" to persuade North Korea to positively respond to its efforts

to realize the joint celebration of the liberation day, marking the 46th anniversary of Korea's liberation from Japan's 35-year-long colonial rule, he said.

"North Korea is not likely to veto our offer out of hand, as political situation in and around the Korean peninsula is changing rapidly and because it is well aware of what the surrounding countries expect it to do," the official said.

National Unification Board spokesman Choe Pyong-po, commenting on Yun's statement, said Tuesday, "There are some problems we can hardly understand in the statement such as the call for release of detainees. However, we will seriously consider the North's conditions, taking note of its suggestion of a joint Aug. 15 festival and a conference to discuss the matter."

The spokesman said the government was determined to take every measure to realize the cross-country pilgrimage linking Mt. Paektu in North Korea with Mt. Halla in the South, with the belief that such an event will advance the day of reunification.

Korea was divided into the capitalist South and communist North at the end of World War II in 1945 and the two sides fought a three-year war until an armistice was signed in 1953.

Yi Sang-ok Urges Objective View of North

SK1807073091 Seoul YONHAP in English 0534 GMT 18 Jul 91

[Text] Seoul, July 18 (OANA-YONHAP)—South Korea needs to develop an eye to look objectively at North Korea's politics, diplomacy, economy and society, Foreign Minister Yi Sang-ok said Thursday.

At a time when the end of East-West confrontation has warmed the atmosphere at the United Nations, North Korea's continued anti-South Korea propaganda will only deepen its isolation from the international society, Yi said.

The foreign minister, speaking on U.N. entry and inter-Korean relations at a luncheon hosted by the Korea Broadcasting Journalists Club, said the recent changes in North Korea, such as its decision to apply for U.N. membership and sign the nuclear safeguards accord, are results of some important internal and external needs.

Externally, North Korea is aware that even its closest ally China cannot but follow the international political trend after the cold war, Yi said.

Economic plight of North Korea is extremely serious, and the country's leaders strongly feel the need to pacify the people's dissatisfaction by making changes, the minister said.

"The joint entry of South and North Korea into the United Nations does not necessarily mean that North Korea has modified its basic position toward South Korea. Changes, however, are inevitable in North Korea's policies toward South Korea and the rest of the world," he said.

"Today's United Nations is not the same United Nations of the past when East and West confronted each other and superpowers were engaged in verbal battles. Even if North Korea continues with its past policies, international support will be weak. North Korea must realize that such attempts will only invite isolation from the rest of the world," the foreign minister said.

The U.N. membership must serve as a stepping-stone to peace, reunification and prosperity on the Korean peninsula, and this will depend on how South and North Korea conduct themselves as U.N. members, he said.

North Accepts Proposal for Liaison Contact

SK1807032991 Seoul KBS-1 Radio Network in Korean 0300 GMT 18 Jul 91

[Text] Choe Pong-chun, responsible liaison officer of the North side's delegation to the North-South high-level talks, today sent a telephone message to Kim Yong-hwan, responsible liaison officer of our side's delegation. In this message, he said that he accepts our side's proposal to hold a contact between responsible officers for the North-South high-level talks in Tongilgak in the North Korean side's area at 1000 19 July.

Thus, the contact between the responsible liaison officers for the North-South high-level talks will be held at Panmunjom tomorrow morning.

North's Continuation on Mt. Kumgang Dam Reported

SK1807112391 Seoul YONHAP in English 1039 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—North Korea resumed work for building Mt. Kumgang Dam in August 1988 after suspending it in 1987, it was belatedly known here Thursday.

A Construction Ministry report filed at the National Assembly said North Korea is currently building a cofer-dam in the construction site.

In October 1986, North Korea began work for the construction of a hydroelectric power plant, reportedly with 900,000-kilowatt capacity, at Changdo in Kangwon Province. The construction of the dam, of which maximum pondage is said to total 20 billion tons, sent South Korean leaders into a panic about large-scale inundation tactics.

South Korea poured 150.9 billion won (209 million U.S. dollars), including 63.9 billion won (88.7 million dollars) donated by civilians, to construct "Peace Dam" in May 1989 at Hwachon in Kangwon Province in preparation for eventualities.

The first-phase construction of Peace Dam was completed but the second-phase one, which was contracted

between the government and contractors on Dec. 30, 1988, is yet to be put into action.

U.S. Forces Use of Discount Electric Criticized

SK1807024791 Seoul THE KOREA TIMES in English 18 Jul 91 p 8

[Text] U.S. forces in Korea have benefited in paying electricity charges under an unfair clause of the SOFA (Status of Forces Agreement) signed in 1969, according to the Energy-Resources Ministry yesterday.

The ministry said in its report submitted to the National Assembly that U.S. forces pay the lower industrial charge according to the SOFA clause.

While the U.S. forces in Korea have saved over 10 billion won annually due to preferential treatment, Korean military forces have been burdened with high commercial rates like any other electricity consumer, the report said.

Differential electricity rates are charged to consumers in accordance with their purpose of electricity. In general, industrial use of electricity is charged lower rates than commercial use.

At present, the commercial electricity rate is set at 80.17 won per kwh while the industrial rate is 54.40 won per kwh.

Last year alone, the U.S. forces in Korea saved nearly 14.0 billion won by paying the reduced rate, assisted by the special favors accorded to them, the Korea Electric Power Corporation [KEPCO] said.

Officials said KEPCO had repeatedly called for the correction of the unfair clause in the SOFA previously but its demand was rejected by U.S. authorities, who asked Korea to shoulder more of burden in keeping U.S. forces here in Korea.

Critics say the unfair electricity clause in the SOFA typifies the unequal relationship between Korea and the United States and called upon the government to begin talks immediately to withdraw the special favors from U.S. forces in Korea.

Soviet Bank Blamed in Delay of Exports to Moscow

SK1807035691 Seoul THE KOREA HERALD in English 18 Jul 91 p 7

[Text] Korean firms' exports to the Soviet Union financed by Seoul's $800 million tied loan to Moscow are progressing rather slower than expected, due mainly to the lack of preparedness on the part of the buyers and their banks.

Almost two months have passed since the two governments finalized the 31 trading items and their exporters and importers, but a single shipment has yet to be made, said officials of the Ministry of Trade and Industry yesterday.

Fourteen Korean firms registered with the ministry to export 23 items, worth $273 million as of yesterday, and nine export contracts worth $60 million have already been concluded. But actual shipments have since kept being delayed, they said.

They blamed the Bank of Foreign Economic Affairs for the shipment delay as the Soviet bank has failed to take the steps necessary for trade progress, such as making payment guarantee for the $800 million loan and case-by-case loan application to the Korea Export-Import Bank to settle each payment.

"The Soviet officials say it is urgent for them to introduce the Korean consumer goods and materials but their bureaucratic efficiency seem to be fettering their business," said an official, requesting anonymity, "Quite oddly, it is out side that is hurrying the shipments."

The agreement on some trading items and their exporters, including telephone cable, motors, footwear and microwave ovens, which failed to be reached in the May meeting, has also remained a pending issue until now.

Firms Apply To Ship Consumer Goods to USSR

SK1807033291 Seoul THE KOREA TIMES in English 18 Jul 91 p 8

[Text] Fourteen business concerns have applied for shipments of 23 consumer products worth $273 million to the Soviet Union this year, the Trade-Industry Ministry announced yesterday.

They include eight general trading companies—Samsung, Lucky-Goldstar, Hyundai, Kolon, Hyosung, Daewoo, Sunkyong and Ssangyong.

In particular, Samsung applied for shipments of nine products worth $61 million, Lucky-Goldstar 10($53 million), Hyundai 10($36 million), Kolon three($28 million), Daewoo eight($24 million), Sunkyong five($21 million), Hyosung two ($9 million) and Ssangyong one($3 million).

The application is part of the Soviet Union's plan to purchase 32 Korean-made consumer products worth $800 million this year with the supply of $800 million in tied loans to Moscow by Seoul.

The $800 million in tied loans is included in a $3 billion economic aid package which Korea will channel to the Soviet Union over the next three years beginning this year in order to boost its backward economy.

During the period, $1.5 billion in tied loans will be supplied to the Soviet Union to help it purchase Korean-made consumer products.

The ministry said that it approved the 14 business concerns to ship their applied products to the Soviet Union.

Soviets To Participate in Seoul Travel Fair

SK1807091891 Seoul YONHAP in English 0640 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—Intourist of the Soviet Union will send a tourism promotion team to South Korea in September for the first time and stage a campaign to attract Korean travellers in Seoul, Pusan, Taegu and Kwangju, a business source said Thursday.

The campaign is designed to give a truer picture of the Soviet Union to the Korean sightseers, he said. The number of Korean visitors to the socialist country has grown sharply since the two nations normalized their relations in September last year.

The Soviet company has commissioned some advertisement agents in Korea to draw up detailed publicity programs, he said.

The company will take part in the sixth Korea world travel fair in Aug. 22-25 leasing two pavilions at the Korean Exhibition Center. Geosoft, a joint venture between Austria and the Soviet Union, will also participate in the event to drum up its publicity drive.

Intourist attracted some 4,000 Koreans to the Soviet Union last year through its business partners in Korea.

Sakhalin Service Planned for Plane Victims

SK1807010991 Seoul YONHAP in English 2356 GMT 17 Jul 91

[Text] Moscow, July 17 (YONHAP)—A memorial service will be held in seas off the Soviet island of Sakhalin on Sept. 1, the eighth anniversary of the Soviet downing of a Korean passenger aircraft with 269 people on board.

Korean and Soviet Government sources said Wednesday the two sides agreed to hold the service for those aboard the Korean Air (KAL) 007 shot down on Sept. 1, 1983, by a Soviet fighter plane, in efforts to clear the path for further bilateral cooperation.

The two nations normalized diplomatic relations on Sept. 30, 1990. Seoul demanded Moscow apologize and take due steps to console the victims' bereaved families.

Soviet Foreign Ministry officials and diplomats at the Korean Embassy in Moscow have already conducted an on-the-spot inspection of the waters off Sakhalin and will shortly begin concrete preparations to hold the memorial service.

The Soviet Government asks Seoul to pay all the relevant expenses and bring the bereaved families by a ship while the Korean Government demands Moscow pay for the expenses and bring the families by a chartered plane.

The Korean Government has also told Moscow that families of foreign victims should all be allowed to come to the service, if they wish to attend.

In a Korea-Soviet foreign ministers' talks last December, then Soviet Foreign Minister Eduard Shevardnadze said his government felt regrets and pain for the sacrifice of the innocent lives, although the Soviet fighter shot down the plane for self-defense.

The Soviet Government announced initially that it shot down the KAL airliner because it was on a spy mission.

Government To Decide Fate of Complex in China

SK1807043391 Seoul YONHAP in English 0356 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—Construction of an industrial complex in China for Korean manufacturing industries has been stalled because of various difficulties stemming from lack of diplomatic relations between Seoul and Beijing and different positions on the project among relevant government agencies.

The government, in a meeting of relevant ministries, will decide on whether to go ahead with the project, and in case of decision to proceed with it, when the construction should begin and what kind of industries should be housed in the proposed complex after collecting views from relevant ministries, informed sources said Thursday.

The state-run Korea Land Development Corp. (KLDC) has been working on the project to build the complex at a ground of 400,000 pyong (1.32 square kilometers) in China with a cost of 20 billion won (27.4 million U.S. dollars) but there are various difficulties, including the lack of an investment guarantee agreement, the sources said.

In addition, there are substantial differences among relevant government ministries.

The Economic Planning Board and the Trade and Industry Ministry are in favor of the plan to help ease the labor shortage in Korea and enhance international competitive power while the Construction Ministry wants it to be postponed until after the diplomatic relations are established.

The Construction Ministry opposes an early implementation of the project on the grounds that the KLDC is engaged in quite a few domestic projects and has little financial and personnel reserve to invest in China and investment conditions in China are not as good as have been made known.

In case the KLDC construct the complex, the Korean company should lease the land from Chinese authorities for 50 years and relend it to Korean industries but most of the Korean companies interested in the industrial complex hope to use the complex for just 10 years.

Those companies want to make a trial business in China for 10 years and decide whether to continue their operation in China based on the results.

Higher Tariffs May Be Urged on Chinese Imports

SK1807090891 Seoul YONHAP in English 0828 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—The Korea Trade Commission [KTC] will soon ask the Finance Ministry and other government offices concerned to raise tariffs on imported Chinese noodles or take safeguards measures against such imports, KTC sources said Thursday.

The KTC has found as true the Korea noodle industry cooperative's claim that the ever-growing import of Chinese noodles has caused damages to local producers. The cooperative filed a request for investigation with the Commission on March 22.

Import of the Chinese vermicelli recorded a whopping increase of 342 percent from 1,201 tons in 1989 to 5,266 tons in 1990 and 5,173 tons during the first five months of this year.

The KTC has also found the market share of the imported noodles rose sharply from 4.2 percent in 1989 to 30.6 percent as of May this year.

While demand for Chinese noodle is mounting, the production and sales of local producers is on the decline. Import is likely to increase further in the days ahead as there is a huge gap between the prices of the imported and local products, the sources said.

The Commission will recommend the Finance and Trade-Industry Ministries to increase tariffs on the imported noodles or take safeguards actions within 60 days as requested by pertinent laws.

The KTC has also decided to prolong the protective measure for producers of salted shrimps by three years until the end of 1994. Under the safeguards, put into action in 1988 upon the request of the national fisheries cooperatives, importers of salted shrimps should get the recommendation of the director of the National Fisheries Administration in advance.

Locally-produced salted shrimps are in glut already and local fishing households are suffering from increasing debts, the sources said.

Minister To Attend ASEAN Meeting 21-24 Jul

SK1807020691 Seoul YONHAP in English 0112 GMT 18 Jul 91

[Text] Seoul, July 18 (OANA-YONHAP)—South Korean Foreign Minister Yi Sang-ok will attend the Association of Southeast Asian Nations (ASEAN) extended foreign ministers' conference July 21-24 in Kuala Lumpur for the first time as a full-dialogue partner, the Foreign Ministry said Thursday.

While in the Malaysian capital, Yi will also meet with his counterparts from ASEAN and James Baker from the United States and Taro Nakayama from Japan, who will participate in the extended meeting, called ASEAN Post-Ministerial Conference (PMC), as full-dialogue partners, the Ministry said. Yi's separate meetings with Baker and Nakayama are expected to discuss bilateral relations and situations on the Korean peninsula, Ministry officials said.

Following the PMC, the Korean foreign minister will tour Singapore, Indonesia and Thailand July 25-Aug. 2 for talks on economic cooperation and South Korea-ASEAN relations, the Ministry said.

South Korea first joined ASEAN as a sectoral dialogue partner in November 1989. The regional organization groups Brunei, Indonesia, Malaysia, the Philippines, Thailand and Singapore.

Six other non-regional countries—the United States, Japan, Canada, Australia, New Zealand and the European Community—meet annually with the ASEAN nations during the post ministerial conference to discuss political, economic and Asia-Pacific issues.

South Korea will be appointed a full dialogue partner during the ASEAN ministerial meeting July 19-20, and Yi will sit in at the following PMC with the six non-regional countries.

South Korea-ASEAN cooperation projects will focus on trade, investment, tourism, technology transfer and development and human resources development.

The two sides are to establish a joint private-level business council in coming November.

South Korea-ASEAN trade totaled 10.15 billion U.S. dollars last year with Korea's imports and exports increasing 22.6 percent and 27.4 percent, respectively.

The foreign minister will leave for Kuala Lumpur July 20 at the head of a 10-member Korean delegation composed of officials from the Foreign, Economic Planning, Finance and Trade-Industry Ministries.

Choe Hyong-u Named Minister to Political Affairs

SK1807091391 Seoul YONHAP in English 0605 GMT 18 Jul 91

[Text] Seoul, July 18 (YONHAP)—President No Tae-u named Rep. Choe Hyong-u of his ruling Democratic Liberal Party [DLP] as the state minister for political affairs Thursday.

Choe, 56, succeeded Kim Tong-yong who had recently resigned for health reasons.

A graduate of Tongguk University, Choe has been elected lawmaker four times from the Tongnae-b constituency in Pusan. He served as the floor leader of the now-defunct Reunification Democratic Party before the party was merged into the DLP last year.

Local Foreign Investment up After 2 Year Decline

SK1807032391 Seoul THE KOREA TIMES in English 18 Jul 91 p 8

[Text] Foreign investment in Korea rebounded in the first six months this year after two years of decline, the Finance Ministry announced yesterday.

Foreigners invested a total of 483 million U.S. dollars in 150 projects in the January-June period, a 28 percent increase in value and a 5.6 percent increase in the number of projects, compared with the same period last year.

Foreign investment in the country had dwindled both in value and volume in 1989 and 1990 consecutively.

The recent rebound came from a stiff increase of foreign investment in the services industry, especially in trading, finance and insurance. Foreign investors poured 182 million dollars into 88 projects during the six months. Whereas they put in 102 million dollars into 71 projects in the comparable period last year.

Despite the overall increase of foreign investment, manufacturing industry has been left out in the cold. It received 300 million dollars of foreign capital in the first half of this year, down 18.7 percent from a year ago. Foreigners are still shunning the manufacturing sector because of the heavy burden of rising labor costs and land prices, said a Finance Ministry official.

There were contrasting patterns in foreign investment in Korea. Investment by Americans and Japanese shrank 29.3 percent and 4.4 percent in value respectively, while that by Europeans swelled 98.9 percent in the first half.

The Finance Ministry predicted foreign investment in the whole year will rise to 11-12 billion dollars, helped by Korea's market liberalization efforts.

Government Plans Steps To Strengthen Trade

SK1807033791 Seoul THE KOREA TIMES in English 18 Jul 91 pp 1, 8

[Text] The government will expand the export insurance fund to 300 billion won by 1996 to help business concerns explore new overseas markets.

To minimize the risk of enterprises in shipments of their products, an export insurance corporation will be established.

The government will also automate all trade procedures by 1995 in a bid to speed up exports and imports and reduce their expenses.

These are among the goals of the trade policy to be carried out during the seventh five-year economic development project between next year and 1996.

The Trade-Industry Ministry announced yesterday that the present system of redressing damage to business concerns inflicted by their foreign counterparts will be strengthened.

To realize the aim, the Korean Trade Commission will be developed into an independent organization.

Under the Trade-Industry Ministry, the commission was set up in 1987, modelled after the International Trade Commission of the United States, to control unfair trade practices by both domestic and foreign businesses.

In consideration of the internationalization of the nation's economy and the rapid expansion of its trade, enterprises will be allowed to trade just by registering their plans with the ministry.

At present, they require government approval to conduct trade business.

The ministry will focus efforts on enhancing the international competitiveness of industry in order to expand exports.

In particular, quality control of products will be strengthened.

Meanwhile, the ratio of own brand products in overall exports will be increased from the present 45 percent to 70 percent by 70 percent by 1996.

A second exhibition center will be established in addition to the Korea Exhibition Center.

The ministry will beef up cooperation between small and medium enterprises and general trading companies to enhance the former's overseas marketing abilities.

Domestic market opening policy will be carried out without a pause in consideration of the nation's increasing role in the world economy.

Various import restrictions will be abolished or eased, including the ban on imports from Japan.

Restrictions on imports of secondhand products will also be gradually phased out.

The distribution market will be restructured in such a way as to protect consumers and inhibit the marketing of foreign products at unfair prices.

The ministry will expand bilateral and multilateral economic and trade cooperation with the nation's trading partners.

It will positively promote the nation's role in the world trade after the conclusion of the Uruguay Round of multilateral talks which seek to include agricultural and fisheries products, services and intellectual property rights in global merchandise trade.

To tide over disadvantages in trade because of the regimentation of the world economy, the government will actively take part in the unification of the 12-member European Community market slated for 1993 and the free trade agreement between the United States, Canada and Mexico.

The government is also determined to join the 24-member Organization for Economic Cooperation and Development (OECD) by the mid-1990s.

The ministry predicted that the trade account would be balanced on a customs clearance basis in 1995 with $121 billion each in exports and imports and register a $2.5 billion surplus in 1996 with $136.5 billion in exports and $134 billion in imports.

According to its estimation, the trade deficit will record $4 billion ($82.5 billion in exports and $86.5 billion in imports) next year, $3 billion ($94 billion in exports and $97 billion in imports) in 1993 and $1.5 billion ($107 billion in exports and $108.5 billion in imports) in 1994.

The ministry said that the nation will join the ranks of the world's top 10 traders during the seventh five-year economic projects.

It also said that the representation of the heavy and chemical industry in the nation's total industrial sector will increase from the 56.4 percent last year to 65.1 percent in 1996.

5 Earth Stations for Telecommunications Planned

SK1807030391 Seoul THE KOREA TIMES in English 18 Jul 91 p 3

[Text] Korea Telecom will start construction five earth stations in November to provide domestic satellite communications services from April 1992.

Samsung Electronics Co. was picked as the ground facility provider in a satellite program designed to accumulate satellite management technology before launching a full-fledged satellite project.

Currently, Korea Telecom is preparing to launch the nation's first-ever communications and broadcasting satellite in 1995.

For the domestic satellite services, Korea Telecom leased a communications transponder of Intelsat V, a geostationary satellite hovering over the Pacific Ocean, for 6.4 billion won for four years until 1995.

Samsung won the 3.68-million-dollar contract last December to build five earth stations in Seoul, Pusan, Taegu, Taejon and Kwangju as well as 50 very small aperture satellite earth stations (VSATs).

VSATs are small-size stations whose antennas are 1.8 meter in diameter, especially used for corporate communications in advanced countries such as the United States and Japan.

By setting up the facilities on rooftops or walls, users are able to receive high-quality data, video and voice communications services at low costs.

In Seoul, a nine-meter-wide antenna will be built at the Songsu Telephone and Telegraph Office to play a role as a central control station linking the whole nation.

Burma

SLORC Forms Central Body To Scrutinize Laws

BK1807092991 Rangoon Radio Burma in Burmese 1330 GMT 17 Jul 91

[Notification No. 33/91 of the State Law and Order Restoration Council forming the Law Scrutiny Central Body]

[Text] The State Law and Order Restoration Council [SLORC] has issued Notification No. 33/91 dated 17 July 1991. The text of the order reads:

Subject: Formation of the Law Scrutiny Central Body

1. The SLORC hereby forms the Law Scrutiny Central Body with the following personnel:

a. Chairman	U Tha Dun, attorney general, Attorney General's Office.
b. Member	U Aung Toe, chief justice, Supreme Court.
c. Member	U Maung Maung Gyi, chairman, Public Services Selection Board.
d. Member	U Myo Tun Lin, judge, Supreme Court.
e. Member	U Khin Maung Aye, deputy attorney general, Attorney General's Office.
f. Member	U Kyaw Aye, director general, Office of the SLORC
g. Member	U Soe Tint, director general, Government Office.
h. Member	U Aung Myin, director general, Supreme Court.
i. Secretary	U Thaung Nyunt, director general, Attorney General's Office.

2. The duties of the Law Scrutiny Central Body are as follows:

a. When a ministry proposes the nullification, amendment, or replacement of an existing law, the central body is to study whether the proposed draft law is beneficial to the state and the people and whether that draft law conforms to the prevailing conditions.

b. Should an existing law be found to be non-beneficial to the state and the people and not in conformity with the prevailing conditions, the central body shall give suggestions to the ministry concerned to nullify, amend, or replace the old law with a new one.

c. To take steps so that recommendations for the nullification of laws with the coordination of the ministries concerned can be forwarded to the SLORC within three months from the date this notification is issued.

d. To coordinate with and assist ministries concerned so they will be able to propose to the SLORC, through the government, the laws that should be amended within three months from the date this notification is issued. The proposals should be accompanied by draft laws and should pertain to facts and reasons.

e. To take measures to complete, within six months of the issuance of this notification, the scrutiny of new laws that should be enacted and to assist the ministry concerned to propose that bill to the SLORC, through the government.

f. To carry out, from time to time, the duties assigned by the SLORC regarding laws that should be nullified or amended, or new laws that should be enacted.

3. In order to carry out its assigned duties, the Law Scrutiny Central Body is empowered to call in and coordinate with individuals or organizations which it deems appropriate and to acquire necessary facts and documents from the departments concerned.

4. The Attorney General's Office shall make the arrangements for acquiring the staff needed by the Law Scrutiny Central Body.

5. The expenditures of the Law Scrutiny Central Body are to be incurred from the funds of the Attorney General's Office.

Signed: Major General Khin Nyunt, secretary-1 of the SLORC.

12,500 People Affected by Flooding in Hkamti Area

BK1607145391 Rangoon Radio Burma in Burmese 1330 GMT 16 Jul 91

[Excerpt] At Hkamti, high tides in the Chindwin River from 5 to 13 July 1991 pushed the water level to 17.71 meters which is above the 13.60-meter danger level at that township. The previous highest water level was recorded at 15.99 meters on 16 June 1978.

The present high tides flooded 1,055.25 square miles of Hkamti Township areas.

When the floods began, nine flood relief centers were opened by the township zone law and the township order restoration councils. Flood victims have been evacuated and resettled at the camps since 7 July.

A total of 12,500 people from 2,500 households in all wards on the higher ground and the Zibyugon ward in the low-lying area of Hkamti town were affected by the floods. Six schools, 1,200 homes, three office buildings, the cooperatives office, and a warehouse were flooded.

Flood statistics are still being compiled for villages along the Chindwin River. [passage omitted]

Khin Nyunt Signs Children's Rights Declaration

BK1707073691 Rangoon Radio Burma in Burmese 1330 GMT 16 Jul 91

[Excerpt] A ceremony to mark Myanmar's [Burma] accession to the UN convention on the rights of the child was held at the auditorium of the Nurses Training Center on Bogyoke Aung San Road in Yangon [Rangoon] at 0900 today.

The UN Declaration on the Survival, Protection, and Development of the children was signed by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council and chairman of the National Health Committee. [passage omitted]

Cambodia

Third Japanese Diet Delegation Arrives for Visit

BK1707072991 Phnom Penh SPK in French 0445 GMT 17 Jul 91

[Text] Phnom Penh 17 Jul (SPK)—A delegation from the Japanese Diet headed by Representative Yoshio Sakurauchi, chairman of the Japan-Vietnam Friendship Association, arrived in Phnom Penh on 15 July to learn about the situation in Cambodia in order to study the possibility of Japanese participation in the UN peace plan.

The delegation was greeted on its arrival by Chan Ven, secretary general of the Council of State. The delegation is comprised of representatives of the Liberal Democratic Party, the Socialist Party, the Komeito Party, and the Communist Party of Japan.

This is the third delegation from the Japanese Diet to visit Cambodia since the beginning of this month.

Chea Sim Returns From Japan, Meets Thais

BK1807090391 Phnom Penh SPK in French 0550 GMT 18 Jul 91

[Text] Phnom Penh 18 Jul (SPK)—The National Assembly delegation of the State of Cambodia headed by National Assembly Chairman Chea Sim returned to Phnom Penh on 17 July, after a four-day visit to Japan at the invitation of Michio Watanabe, representative of the ruling Liberal Democratic Party.

It was greeted upon its return at Pochentong Airport by Chea Soth, member of the Central Committee Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] and vice chairman of the Council of Ministers; Sar Kheng, member of the Political Bureau and chief of the offices and of the Organization Commission of the KPRP Central Committee; Say Chhum, member of the Political Bureau and vice chairman of the Council of Ministers; Mat Ly, member of the Political Bureau and vice chairman of the National Assembly and the KPRP Control Commission; Men Sam-an, member of the Political Bureau and chairman of the Federation of Trade Unions; Nguon Nhel, member of the Political Bureau and minister of agriculture, and several other personalities.

During his stay in Japan from 13 to 16 July, Chairman Chea Sim, also member of the Political Bureau of the KPRP Central Committee and chairman of the Kampuchean United Front for National Construction and Defense National Council, was received by Michio Watanabe and Shin Kanemanu, ex-deputy prime minister and adviser to the representative for affairs concerning peace and the reconstruction of Cambodia. He had talks with Yasuhiro Nakasone, ex-prime minister of Japan. The talks dealt with bilateral relations between Cambodia and Japan and the search for a political solution to the Cambodian problem.

Chairman Chea Sim visited, among other things, Nikko, the native province of Michio Watanabe, historical monuments, farms, plants making "Panasonic" television sets and "Kubota" farm tools in Utsunomiya City.

In the afternoon of 15 July, Michio Watanabe gave a reception in honor of his guest, with the participation of representatives of the Liberal Democratic Party, the Japan Socialist Party, and the Komeito Party.

Chea Sim and Michio Watanabe gave a joint press conference before his departure from Tokyo.

During his Bangkok stopover, Chairman Chea Sim was greeted by Asa Sarasin, Thai minister of foreign affairs, and attended a reception hosted by General Suchinda, commander in chief of the Thai Army.

In the afternoon of 16 July, Chea Sim held talks with Gen. Sunthon Khongsomphong, supreme commander and chairman of the National Peace Keeping Council, and with Thai Prime Minister Anan Panyarachun. The talks reflected the sincerity, understanding, and identical viewpoints of the interlocuters on the promotion of the search for a political solution to the Cambodian problem and the strengthening of the relations between the two peoples and countries.

Before his departure from Bangkok, Chea Sim called a press conference during which he said the inter-Cambodian meeting in Beijing "would produce positive results for the search for a political solution to the Cambodian problem."

Chea Sim Repeats Stand on UN Supervision

BK1807011991 Bangkok THE NATION in English 18 Jul 91 p A3

[By Yindi Loetcharoenchok]

[Text] Cambodia's powerful National Assembly Speaker Chea Sim said Phnom Penh maintained its stand on UN supervision of the ceasefire and arms moratorium, the

two issues which will be discussed at the upcoming meeting of the Supreme National Council (SNC) in Bangkok next month.

Speaking before leaving Bangkok for home, Chea Sim did not specify the scope or exact duties of the UN as envisaged by Phnom Penh. He also evaded the question of whether his party still insisted on an intra-Cambodian force working along with the UN on the verification of the ceasefire and the cessation of arms supplies.

The tripartite resistance and Phnom Penh agreed on the two issues during talks last month in Phatthaya of the SNC. But they hold different views on the verification procedure with the resistance wanting a full UN presence and Phnom Penh insisting that the UN set up some facilities to assist in the verification conducted by Cambodians.

Chea Sim said the council's next meeting scheduled for August in Bangkok "will discuss this question (of supervision)—whether it is a peace keeping force or just personnel from the UN."

"The UN has the role first to supervise the ceasefire and ensure other countries stop providing military aid to all (Cambodian) factions," he added.

The 63-year-old Cambodian leader foresaw prospects for a peace settlement at the Bangkok meeting. He based his expectation on the "atmosphere of compromise" that prevailed during the Phatthaya talks, the flexibility shown by the Khmer Rouge and Phnom Penh's ground advantage.

"I am confident that some results will be seen very soon...we notice that the meeting in Phatthaya seemed to be held in an atmosphere of compromise and the process will end on a good note," he said.

In Phatthaya the Khmer Rouge had decided to walk in tandem with other Cambodian parties and had "softened" its stance, said Chea Sim, who added that the rather calm situation on the battle field indicated that peace in Cambodia was within reach.

He claimed that Phnom Penh was "advancing militarily on the ground" while the Khmer Rouge was "now weakening" with the two other resistance factions' military strength waning. "That is why I can say that a peace settlement can be reached soon," he said.

Chea Sim, number two in Phnom Penh's ruling politburo, held talks with Thai leaders before and after his visit to Japan at the invitation of Michio Watanabe, a key member of Japan's ruling Liberal Demcoratic Party.

During a brief meeting on Tuesday night with Chea Sim, Prime Minister Anan Panyarachun urged the Cambodian leader to forget the past—apparently a reference to Phnom Penh's hard posture towards the Khmer Rouge—and work for peace in Cambodia. The Cambodian Assembly speaker said he would think about Anan's advice but the decision rested on the Cambodian people. "I am thinking (about Anan's advice). Our people have suffered a lot. It depends on our people," he said. Chea Sim earlier reiterated Phnom Penh's wish to bring some Khmer Rouge leaders to trial for their past atrocities. He did not cite names.

SPK: Full Text of SNC Final Communique

BK1807073391 Phnom Penh SPK in English 0610 GMT 18 Jul 91

[Text] Phnom Penh SPK July 18—Following is the full text of a final communique issued by the Supreme National Council of Cambodia at its informal meeting in Beijing on July 16-17:

I. The Supreme National Council (SNC) of Cambodia held an informal meeting in Beijing (People's Republic of China) on 16 and 17 July 1991, under the very high chairmanship of H.R.H. [His Royal Highness] Samdech Norodom Sihanouk. At the meeting, there were (in alphabetical order): Their Excellencies Hor Namhong, Hun Sen, Ieng Muli, Im Chhunlim, Khieu Samphan, H.R.H. Prince Norodom Ranariddh, Their Excellencies Son Sann and Son Sen.

The representatives of the two cochairmen of the Paris International Conference on Cambodia (PICC) and the special representative of the UN secretary general participated in the meeting as observers.

The representative of the People's Republic of China participated also in the meeting as observer.

II. The SNC of Cambodia unanimously agreed:

1—To elect H.R.H. Samdech Norodom Sihanouk as its president.

This important decision is a deserved homage rendered to H.R.H. Samdech Norodom Sihanouk who, thanks to his being above all parties, his wise and experienced leadership, is the sole Cambodian statesman in a position to achieve national reconciliation among all Cambodians and to speed up the peace process towards a comprehensive political settlement of the Cambodia conflict and toward the restoration of an independent, sovereign, peaceful, neutral, nonaligned and united Cambodia within her territorial integrity.

In order to fully impement his role as president of the Supreme National Council, H.R.H. Samdech Norodom Sihanouk has decided to resign from all his positions as president of the Cambodian National Resistance (CNR) and as president of the National Government of Cambodia (NGC) and has decided from now on to stand neutral, acting as a conciliator, without belonging to any faction or political party.

2—To hold the next formal meeting of the SNC in Bangkok (Thailand) on 26, 27 and 28 August 1991.

3—To send a delegation to the 46th session of the UN General Assembly, composed of:

- head of the delegation: H.R.H. Samdech Norodom Sihanouk

- members (by alphabetical order):

- as representatives:
H.E. [His Excellency] Hor Namhong
H.E. Hun Sen
H.E. Khieu Samphan
H.E. Son Sann

- as alternate representatives:
H.E. Dit Munti
H.E. Ieng Muli
H.E. Im Chhunlim
H.R.H. Prince Norodom Ranariddh

- a number of assistants.

4—To send to the UN secretary general, a letter signed by H.R.H. Samdech Norodom Sihanouk in which "the SNC, reiterating once again its acceptance of the perm five [five permanent representatives of the UN Security Council] framework document of 28 August 1990 in its entirety, has decided to request the United Nations to send a survey mission in order to evaluate the modalities of control and an appropriate number of UN personnel to control the cease-fire and the cessation of foreign military aid in cooperation with the SNC military working group."

5—To send a delegation to participate in the special meeting of the Mekong Committee in mid-August 1991 as well as in its full session from 4 to 6 November 1991.

6—To appoint six officials to the SNC Secretariat as follows:
Mr. Chum Bunrong
Dr. Mak Ben
Pen Thol
Sar Sambat
Sok An
Veng Sereivut

The Secretariat shall begin its work one week prior to the forthcoming SNC meeting in Bangkok (Thailand) in August 1991 at the former Cambodian embassy, pending the installation of the SNC headquarters in Phnom Penh.

7—To set up an operational SNC working group to draft the SNC rules of procedure, the principles of the new constitution of Cambodia and the electoral laws, and to examine the modalities of the installation of the SNC headquarters in Phnom Penh, inter alia:

- situation of the headquarters at the government guesthouse,

- sending teams of the Cambodian parties to Phnom Penh to arrange their accommodations,

- matters pertaining to the immunity and privileges of the SNC members and the personnel of their staff.

8—To request from the UN secretary general assistance:

- to facilitate the repatriation of Cambodian refugees and displaced persons;

- to establish a mine awareness programme in Cambodia and in the refugee camps along the Cambodian border which includes:

- mass public education on the recognition and avoidance of unexploded ordinance devices;

- training of Cambodian volunteers to dispose of unexploded ordinance devices;

- emergency first-aid training to Cambodian volunteers.

9—To set up a working group on repatriation which will closely work with the UN High Commissioner for Refugees for the preparatory work of the repatriation such as the setting-up of the refugee transit centers, warehouses, road access etc...

III. H.R.H. Samdech Norodom Sihanouk, president of the SNC and all members of the SNC present in the meeting wish to express their deepest and warmest gratitude to the government and people of the People's Republic of China, H.E. President Yang Shangkun and H.E. Prime Minister Li Peng as well as to all Chinese officials for their generous assistance and hospitality which have facilitated this successful meeting.

The SNC wishes also to take this opportunity to renew its most sincere gratitude to the UN Security Council perm five, the two cochairmen of the PICC, the UN secretary general as well as their representatives, and all friendly countries the world over for their active and sustained offorts to achieve an early and lasting comprehensive political solution to the Cambodia conflict.

Done in Beijing, PRC, on 17 July 1991

- President of the SNC:

H.R.H. Samdech Norodom Sihanouk

- Members of the SNC:
H.E. Mr. Hor Namhong
H.E. Mr. Hun Sen
H.E. Mr. Ieng Muli
H.E. Mr. Im Chhunlim
H.E. Mr. Khieu Samphan
H.R.H. Prince Norodom Ranariddh
H.E. Mr. Son Sann
H.E. Mr. Son Sen.

Sihanouk, SNC Thank PRC for Meeting Success

BK1807063991 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 18 Jul 91

[Text] His Royal Highness [H.R.H.] Prince Norodom Sihanouk and all members of the Supreme National

Council [SNC] attending the meeting in Beijing expressed profound gratitude to China for helping make the SNC meeting a success.

The meeting of the SNC held in Beijing concluded the afternoon of 17 July, after two days of work.

At the closing of the meeting, H.R.H. Prince Norodom Sihanouk read [words indistinct] of the SNC on the outcome of the meeting to the journalists.

H.R.H. Prince Norodom Sihanouk, chairman of the SNC, and all members of the SNC, in the communique closing the SNC meeting expressed profound and heartfelt gratitude to the government and people of the PRC, to His Excellency President Yang Shangkun and His Excellency Premier Li Peng, and to all Chinese officials for generously assisting them and helping to make the meeting a success. The Cambodian SNC also expressed gratitude to the five permanent members of the UN Security Council, the cochairmen of the Paris International Conference on Cambodia, and the UN secretary general as well as his emissary and all countries in the world that have consistently made active contributions to an early and lasting comprehensive solution to the Cambodian conflict.

VODK: Communique on Beijing SNC Meeting

BK1807021191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Jul 91

["Final communique of the Supreme National Council Informal Meeting, Beijing 17 July 1991"]

[Text] I. The Cambodian Supreme National Council [SNC] held an informal meeting in Beijing, PRC, on 16 and 17 July 1991 under the lofty chairmanship of Samdech Norodom Sihanouk.

Taking part in the meeting were, in alphabetical order, His Excellency [HE] Hor Namhong, HE Hun Sen, HE Ieng Muli, HE Im Chhunlim, HE Khieu Samphan, Prince Norodom Ranariddh, HE Son Sann, and HE Son Sen. Representatives of the Paris International Conference on Cambodia [PICC] cochairmen and the special representative of the UN Secretary General also attended the meeting as observers. The representative of the PRC also took part in the meeting as an observer.

II. The SNC unanimously agreed:

1. To select Samdech Norodom Sihanouk as chairman. This important decision is an appropriate sign of respect for Samdech Norodom Sihanouk because of the samdech's role above all parties and his astute and experienced leadership. Also, the samdech is the only Cambodian state figure who has the stature to achieve national reconciliation among all Cambodians and to speed up the peace process toward a political and comprehensive solution to the Cambodian problem and toward the reestablishment of an independent, sovereign, peaceful, neutral, and nonaligned Cambodia with independence and territorial integrity.

To fully play his role as the SNC chairman, Samdech Norodom Sihanouk has decided to resign from all positions as leader of the Cambodian national resistance forces and leader of the Cambodian national government. He has decided that from now on he will remain neutral as a conciliator without belonging to any faction or political party.

2. To hold an official SNC meeting next in Bangkok, Thailand, on 26, 27, and 28 July 1991.

3. To send a delegation to attend the UN General Assembly's 46th session with the following composition:

Head of the delegation: Samdech Norodom Sihanouk;

Members, in alphabetical order, as representatives: HE Hor Namhong, HE Hun Sen, HE Khieu Samphan, and HE Son Sann; and as alternate members: HE Dit Munti, HE Ieng Muli, HE Im Chhunlim, Prince Norodom Ranariddh; and a number of assistants.

4. To send a letter to the UN Secretary General signed by Samdech Norodom Sihanouk, including the SNC, reaffirming the acceptance in full of the 28 August 1990 framework document of the five permanent members of the UN Security Council [UNSC], and requesting the United Nations to send a survey mission to evaluate the modalities of control and an appropriate number of UN personnel to control the cease-fire and the cessation of foreign military aid in cooperation with the SNC military working group.

5. Send a delegation to attend the special meeting of the Mekong Committee in mid-August 1991 and the Committee's plenary session from 4 to 6 November 1991.

6. To appoint the following six officials to the SNC Secretariat: Chum Bunrong, Dr Mak Ben, Pen Thol, Sar Sambat, Sok An, and Veng Sereivut. The Secretariat will start its work a week before the coming SNC meeting in Bangkok, Thailand, in August 1991 at the former Cambodian Embassy pending the installation of the SNC headquarters in Phnom Penh.

7. To set up an operational SNC working group to draft the SNC rules and procedures, the principles of Cambodia's new constitution, and electoral laws, and to examine the modalities related to the installations of the SNC headquarters in Phnom Penh, including the office at the government guest house, the dispatch of groups from various Cambodian parties to Phnom Penh to organize their respective living quarters, and the issue relating to the immunity and prerogatives of SNC members and the SNC staff.

8. To request assistance from the UN Secretary General to facilitate the return of Cambodian refugees; set up educational programs about mines in Cambodia and in various refugee camps along the Cambodian border,

including educating the public to recognize and avoid unexploded mines, training Cambodian volunteers to deactivate unexploded mines, and teaching Cambodian volunteers emergency first aid.

9. To set up a working committee to deal with the reception of returning refugees. The committee will closely work with the UN High Commission for Refugees on the preparation of refugee repatriation, such as the setting up of refugee transit centers, warehouses, roads, and so on.

III. SNC Chairman Samdech Norodom Sihanouk and all SNC members attending the meeting would like to express profound and warm gratitude to the government and people of the PRC, HE Yang Shangkun, HE Li Peng, and all Chinese officials who have provided generous assistance and hospitality, which have facilitated this successful meeting.

The SNC would like to take this opportunity to reaffirm sincere gratitude to the UN Security Council five permanent members, the PICC cochairmen, the UN Secretary General and his representatives, and all friendly countries the world over for their active and persistent efforts to achieve a political and comprehensive solution to the Cambodian problem quickly and definitively.

[Dated] Beijing, PRC, 17 July 1991

[Signed] SNC Chairman Samdech Norodom Sihanouk

SNC Members: HE Hor Namhong, HE Hun Sen, HE Ieng Muli, HE Im Chhunlim, HE Khieu Samphan, Prince Norodom Ranariddh, HE Son Sann, HE Son Sen

VODK: SRV Sends Troops to Kompong Thom

BK1807005291 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Jul 91

[Excerpt] On 10 July, the Vietnamese aggressors dispatched 1,200 Heng Samrin reinforcement troops and 40 tanks from Kampot Province to launch attacks to retake liberated zones from our Cambodian national resistance forces in Kompong Thom Province.

However, these troops have been conscripted by the Vietnamese aggressors and do not have the yen to fight. During the journey, these Cambodian soldiers escaped home, with many of them being called to return by their parents and relatives.

This is another aspect of the cease-fire violation by the Vietnamese aggressors and the Phnom Penh side. The Vietnamese aggressors dispatched these troops to Kompong Thom following earlier dispatches of eight truck-loads of Vietnamese troops to Dang Tong District in Kampot Province on 4 July and another 10 truck-loads to Phnom Penh on 5 July. [passage omitted].

Indonesia

Alatas on ASEAN Ministers Meeting Agenda

BK1607113991 Jakarta ANTARA in English 1044 GMT 16 Jul 91

[Text] Jakarta, Jul 16 (OANA-ANTARA)—Indonesia seeking for a satisfactory solution of the Sipadan and Ligitan Islands issue, hopes that the Joint Commission of Indonesia and Malaysia would accelerate the solution of the islands' ownership, Foreign Affairs Minister Ali Alatas said here Tuesday.

Speaking to newsmen after giving an account to President Suharto, Minister Alatas said that the joint commission will be set up after a memorandum of understanding (MOU) is signed by Minister Alatas and his Malaysian counterpart, Abdullah Ahmad Badawi, during the upcoming ASEAN Ministerial Meeting [AMM] in Kuala Lumpur.

By the setting up of the commission, we want to find a solution which could satisfy both sides. We want to solve the issue amicably, he said.

To the head of state, Minister Alatas reported his coming visit to Kuala Lumpur to attend the AMM.

Foreign ministers of the six member countries of ASEAN will meet from July 19-20 and they will also have a meeting with ASEAN's - dialogue partners - the United States, Australia, Canada, New Zealand, Japan, South Korea and EC.

Malaysia also invited Chinese Foreign Minister Qian Qichen and the first deputy prime minister of the Soviet Union, Yuri Maslyukov.

Alatas earlier explained that the issue on the islands emerged because both Indonesia and Malaysia claim the ownership of the two islands, which is located near East Kalimantan.

When President Suharto was attending the G-15 in Kuala Lumpur in 1990, he reached an agreement with Prime Minister Mahathir Mohammed in maintaining the status quo of the two islands as long as the issue has not been solved yet, according to Alatas.

But, a Malaysian company recently built tourist facilities on the islands.

Indonesia, according to the minister, has reminded Malaysia to abide by the agreement until a new agreement is reached.

Touching on things to be discussed by the ASEAN foreign ministers during their coming annual meeting, he said ASEAN needs to thoroughly talk about the position it has to adopt amidst rapid global (political) changes.

It must also review the concrete steps it must take to increase economic cooperation among its members.

especially because it has been several years since the 24 year old organization held its last summit in Manila, the Philippines.

During the Kuala Lumpur meeting, ASEAN Foreign ministers are expected as well to discuss the proposal of Malaysian Prime Minister Mahathir Mohamed on the East Asian Economic Group (EAEG).

He said however, the meeting will not adopt any decision concerning the issue because it will be brought to the fourth ASEAN summit in Singapore early next year.

Included in the agenda of the two-day meeting among others are the efforts to solve the more than 12 year Cambodian conflict, following the SNC [Supreme National Council] meetings in Jakarta, Phatthaya (Thailand) and Beijing.

Intelligence Chief Confirms PRC Travel Stay

BK1807141991 Jakarta THE JAKARTA POST in English 12 Jul 91 p 1

[Text] Jakarta (JP): Indonesia has yet to approve free passage for people going to China almost a year after the restoration of diplomatic relations between the two countries.

Maj. Gen. Sudibyo, head of Bakin (National Intelligence Coordinating Body), confirmed yesterday that the restriction for people traveling to China was still valid.

Referring to the President's Instruction (Inpres) No. 9/1985, Sudibyo said that people are allowed to visit China only for three reasons: to make a business trip, to take part in a sports event or to attend a conference. Clearance is required for this travel.

He said that many goverment institutions were of the opinion that the regulation needed review. Asked whether there was a plan to revoke it, Sudibyo said: "I think so."

Sudibyo said the government had relaxed the regulation by allowing people outside the three categories to visit China. Some went to China for medical treatment, he added.

The intelligence agency's task is to prevent a flood of people going to China, Sudibyo pointed out. He denied that the government applied the restriction for security or political reasons.

He also denied that one needed quite a long time to obtain the clearance. If the data were clear and complete, and the application filed in due time, they would not face any difficulty, he said.

Minister Views Significance of Suharto's Hajj

BK1707093191 Jakarta TEMPO in Indonesian 6 Jul 91 p 31

["Excerpt" of interview with Religious Affairs Minister Munawir Syadzali by TEMPO correspondent Wahyu Muryadi in Jakarta on 1 July]

[Text] [Muryadi] Some people believe that the recent hajj performed by Pak Harto [President Suharto] has political significance.

[Syadzali] I think he had no other motivation in performing the hajj and he has done it as a true Muslim. Of course, I can understand if some people say: Why perform hajj now, one year before the general elections? But being one who has followed the process from the beginning, I believe he has performed the hajj as a true Muslim.

[Muryadi] But this may lead to the claim that the president belongs to the Muslims.

[Syadzali] I disagree with such assumption because Pak Harto always says he is the head of state of a country with Pancasila as the philosophy of state. His initiatives—which are in line with the aspirations of Muslims—including the drafting of the Religious Court Act, the compilation of Islamic laws, and the dispatch of religious teachers for transmigrants, have been carried out for a long time. All these are in line with his view that this country is neither a religious nor a secular one.

Therefore, I believe that he will initiate no policy changes and that he will not abandon the non-Muslims.

[Muryadi] Some people believe that the government's recent moves tend to favor the Muslims.

[Syadzali] That is not true. The fact is that people have been given more facilities to perform their religious activities. The fact that the president has performed the hajj is logical because the majority of our people are Muslims and it is not against the Constitution. In fact, the two things are complementary.

The president well knows the timing for his initiatives. In 1983, his target was how the Pancasila ideology could be made into the sole ideology of the nation, because he believed that it had to be done at that time or never at all. The reaction of Muslims at that time was not very favorable. This means that he attached importance to the basic principle first.

[Muryadi] How do you view the government's approach to the Muslims these days?

[Syadzali] If we look at Pak Harto's sense of timing, we can see that he never acts before a suitable occasion arises. He advises us to be patient and put things on hold when the proper time has not arrived. As such, it is hoped that the Indonesian Muslims will understand and

the interests of non-Muslims will not be harmed. The enforcement of the Religious Court Act will not affect the non-Muslims.

[Muryadi] Apart from the president's sense of timing, don't you think the Muslims have now had greater awareness.

[Syadzali] It has now been proved that in the Pancasila society, Islam can grow. The two ideologies should not be set against each other. In the past, people were worried that in the Pancasila state, Islam would have no freedom. The opposite is true. Other religions also have freedom. This is what Pak Harto wants.

[Muryadi] We used to have officials who were "allergic" to anything Islamic.

[Syadzali] That is the reason why Nurcholis [prominent Muslim scholar] disagrees with the existence of Islamic parties and supports Islam as a religion, because when we have Islamic parties, they will say this and that is wrong according to Islamic teachings. We want Islam to belong to everybody, including the Indonesian Armed Forces or the Indonesian Civil Servants Association. People are no longer allergic to Islam, which is now the religion of government officials. This can be seen from prayer sessions at their houses. While Islam used to be the religion of the masses only, now many cabinet ministers, not just the religious affairs minister, can deliver religious sermons.

The government now feels reasonably secure. This can be seen from the fact that its move to provide more facilities for religious activities has not made Muslims adopt extremist actions. While we used to have DI/TII [armed Islamic fundamentalist movement], now we do not have such kind of movements. After we adopted Pancasila as the sole ideology, it has been proved that all religions can grow and prosper.

Philippines

Reaction to U.S. Bases Draft Treaty Reported

Aquino: Bases Agreement 'Best'

HK1807104591 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 18 Jul 91

[Text] President Aquino today said that the agreement reached by the Philippines and the United States regarding the latter's military bases is the best for the country. The president admitted that the compensation is lower than what the country expected, but the amount agreed upon, she said, is best for the present situation. The president issued the statement in relation to the draft treaty agreed upon by both the Philippines and the United States on the bases. However, it was reported that this agreement will face a rough sailing in the Senate.

Estanislao Against Base Terms

HK1807035391 Manila Far East Broadcasting Company in Tagalog 0100 GMT 18 Jul 91

[Text] The $203-million payment per year for 10 years agreed upon for the extension of Subic Naval Base is not acceptable to Finance Secretary Jesus Estanislao. According to Estanislao, it would have been better for the country's economy had a higher compensation been demanded. Earlier, Foreign Secretary Raul Manglapus said the Philippines would press for a seven-year bases extension at a rent of $825 million per year.

Meanwhile, President Aquino has not yet issued a formal reaction on the agreement reached between the Philippine and U.S. panels. However, the president had earlier expressed optimism that an agreement would be reached soon for the extension of the military bases in the country.

In related news, Senator Ernesto Herrera criticized the Philippine panel for skipping the details of the base workers' case in the agreement. According to Herrera, it is sad that the base workers' welfare has not been given the attention needed. He said that the Philippine panel should have clarified its plan for the over 40,000 Filipino workers in Clark Air Base who would be losing their jobs as a result of the closure of the military base. Apart from this, it was not made clear whether the workers in Subic would be given reasonable compensation in relation to the economic assistance for the damage caused by the Mt. Pinatubo eruption. Senator Herrera also questioned the government's readiness in providing emergency employment for the displaced workers of Clark Air Base.

The association of Filipino workers in Subic Naval Base has called on the government to give attention to their welfare in relation to the agreement for the extension of the military base in Olongapo City. According to Bobby Torres, president of the association, many of the benefits of the Filipino workers are not granted equally by the U.S. Torres said the Filipino workers were only granted three days leave of absence with pay, while the Filipino workers in Subic were given 15 days leave of absence with pay. [sentence as heard] Torres added that almost 75 percent of the workers in Subic had returned to the base. According to Torres, many are already on forced leave to justify the U.S. officials' move to hire private contractual workers to can cut their costs.

Laurel Predicts Senate Disapproval

HK1807044191 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 0030 GMT 18 Jul 91

[Interview with Vice President Salvador Laurel on "What's Your View" program with hosts Gemma de la Cruz-Aranet and Caloy Castro—live, monitored in progress; italicized portions in English]

[Excerpt] [De la Cruz] What is your opinion on this, Mr. Vice President?

[Laurel] The Americans said they cannot afford to give so much hard cash and they can only afford $360 million. Now, even that was reduced. [Words indistinct] avail of this opportunity to ask for equipment that will help modernize our Armed Forces. Because, first, when the Americans leave, because they will leave, they have to leave, *no foreign military base should ever be permanent in any host country; we should prepare ourselves to take over our defense. Let us improve our Armed Forces, our Navy, our Coast Guard, and the Air Force. We will be strategically naked and all these years* we have been depending on the Americans for our defense. And if they leave, we have to take care of our own external defense. So, let us take advantage of this opportunity. Let us ask and get what we can, even if this is not cash, so we can strengthen our external defense.

Second, this is not enough. We should also ask in exchange for the continued use of these bases by the Americans, say for another seven years, let America open their markets to Philippine products to help us, or investments.

[De la Cruz] What you mean, Vice President, is that if we agree to give them seven years or 10 years...

[Laurel interrupts] I said seven years only. [laughter]

[De la Cruz] Okay, let us say seven years. Is this based on commercial agreements? If we agree to seven years, they should give us higher qouta on garments, coconut...

[Laurel interrupts] Sugar. And this should be accompanied by investments here, technology transfer. Similar to what they gave the Japanese, along that line.

[De la Cruz] To Japan after the war.

[Laurel] Yes. To Taiwan or South Korea.

[De la Cruz] Will they agree to that?

[Laurel] They should because they did it in other countries. We should have pressed for that. But I think that is water under the bridge, Gemma, because there was a signing last night.

[De la Cruz] But, I thought Senator Salonga said this should not have been initialled yet until it is brought to the Senate.

[Laurel] Well, I heard that the signing took place last night by the two sides.

[De la Cruz] What does that mean?

[Laurel] This means that the two executive representatives have agreed. If this is just an executive agreement, the two [signatures] should suffice. But since this has to go the Senate first in accordance with our Constitution, it has to be approved by the Senate, ratification.

[De la Cruz] But should an executive agreeement need to pass through the Senate?

[Laurel] If it is an executive agreement, then there is no need. But there is a clear provision in the Constitution that any extension of the U.S. military bases agreement must be ratified by the Senate. So, the approval cannot be made only by Manglapus and Armitage.

[De la Cruz] So, this is a serious problem.

[Laurel] My brother Teroy is a Senate member, and I learned that the required two-thirds could not be obtained. I also heard Senator Maceda say it is not certain. It seems that the majority does not agree or they will not have the needed 16 votes.

[Castro] For example, Mr. Vice President, the Senate would not ratify this new treaty. What will happen to this?

[Laurel] Then there is no treaty. And maybe the Americans would lose interest and might even let go of Subic.

[De la Cruz] But they cannot just drop Subic that easily because they have a lot of things there.

[Laurel] But if they cannot get the approval of the Senate, what can they do?

[Castro] Will this result in new talks?

[Laurel] Maybe, or maybe they have to wait for a new administration.

[Castro] Will the Senate be involved in the future talks so the result would be favorable to everybody?

[Laurel] What the senators told me is *the Manglapus-Armitage agreement is not binding on them. They are entitled to have their own stand and I think it is going to be more independent of that.*

[Castro] So, if the Senate will not ratify, then this Armitage-Manglapus agreement will be disregarded. So, they have to talk again. But is it possible to get the toughest member of the Senate to participate in the talks, sort of a tripartite meeting inclusive of the Senate.

[Laurel] That should have been done since the start of the talks. This is a bit too late now.

[De la Cruz] Do you mean that the points they fought for in the negotiations were their own without consulting the Senate?

[Laurel] I think what they did is just to inform the Senate of what transpired or was agreed upon. This is reportedly what happened in the briefing yesterday. They told the senators what they had agreed on. *So, actually the Senate was not consulted on this.*

[De la Cruz] So, you are expecting trouble when the Congress opens its session?

[Laurel] Oh, yes. I heard Senator Maceda saying he has lost his support for this because of the situation. Because, look, Gemma, we are in a pitiful position because

instead of increasing their [U.S.] offer of $360 million was reduced instead to $203.

[De la Cruz] And this $203 million is not all cash. There is food aid and others, and old equipment. Last night, I saw and heard Secretary Manglapus on television saying that this $203 million is even higher than our demand for $825 million.

[Laurel] That is bad. Manglapus has been an acquaintance for a long time and he is far older than me; but, if he is listening, I want to tell him to stop fooling the nation. [passage omitted]

Senators, Military Comment

HK1807040691 Manila BUSINESS WORLD in English 18 Jul 91 pp 1, 6

[By Jose G. Ebro and Maricar S. Bautista]

[Text] The drawn-out negotiations for the bases have finally ended with the Philippines to receive $453 million [as published] a year for Subic over a ten-year period which does not include a withdrawal phase.

At the Department of Foreign Affairs yesterday afternoon, Philippine panel spokesman Raul Rabe and his counterpart, U.S. Embassay spokesman Stanley Schrager, issued a joint statement, read by the latter, announcing that Foreign Affairs Secretary Raul Manglapus and U.S. Special Negotiator Richard Armitage "have reached agreement on all major issues involved in the Philippine-American Cooperation Talks [PACT]."

The two lead negotiators will be making their reports to their respective presidents for approval prior to the preparation of the official text.

The "calamitous effects of Mt. Pinatubo" were used to justify giving in to U.S. proposals on increased duration and less compensation. "We have to face the reality that the U.S. will only use Subic," Mr Rabe said.

Messrs. Manglapus and Armitage "have expressed the expectation...that Filipinos and American legislators will then be able to render their own judgments concerning the results of the Philippine-American Cooperation Talks," the joint statement said.

While Mr. Schrager insists that "whatever legislative process is involved, the agreement will have the force of a treaty," Mr. Rabe stressed that there "must be ratification by both sides."

Otherwise, Mr. Rabe said, the 1988 Military Bases Review provision on arranging for an orderly withdrawal will be invoked. "As Mt. Pinatubo has shown us, it is possible for the U.S. to withdraw in a very short time."

Mr. Rabe said that "we made it very clear to the Americans that they should ratify PACT. We told them there would be a problem if they did not. But, I don't know whether they'll just be submitting the mother agreement or the whole document." An exchange of notes on instruments of ratification must take place before September 16, 1991, Mr. Rabe said. The Philippine Constitution requires PACT to be recognized as a treaty by the United States.

Clark is to be turned over to the Philippines by September 16, 1992 after the US has cleaned up the facility and effected the dismantling of its equipment there. "We won't leave Clark in bad shape," Mr. Schrager said.

Aside from the defense/security aspect, represented by an agreement on installations and military operating procedures and the status of forces agreement, PACT encompasses accords on economic, scientific, technological, culture, health, and veterans matters.

Under PACT's non-bases related assistance provisions, the US undertakes to support the raising of international contributions to a "Regional Fund for Reconstruction and Development to Focus on Central Luzon areas affected by Mt. Pinatubo's eruption. According to Mr. Rabe, the Philippine side assigns a $100 million figure to this support.

The extension of US "good offices" at various multilateral financing agencies for obtaining concessional loans for the Philippines will be valued at $50 million. Increased access for Philippine goods in the US market has been put at $170 million.

Thus, Mr. Rabe said, under PACT the Philippines will be receiving some $773 million from the US with the chance being held out for additional non-facilities related assistance at "unspecified" yearly levels.

The US and Philippine Governments will be forming a program review group which will determine yearly levels for development assistance, food aid and additional economic support funds.

Bigger Loss

Even as this developed, Armed Forces of the Philippines chief of staff Gen. Lisandro Abadia said yesterday the closure of the Crow Gunnery Range was a bigger loss to the Americans than abandoning Clark.

He said he'd like to see the United States repairing Clark before leaving it, "but will not insist on it."

"We should not beg them to do this or that," he said.

Gen. Abadia met Commander in Chief for the Pacific (CINCPAC) Admiral Charles Larson to discuss the US assessment of Clark and Subic bases.

Crow Valley, considered part of a single military reservation—Clark—has been rendered inutile by Pinatubo's eruption Gen. Abadia said. It is covered with ash and other volcanic debris.

Believed to be the only group-based air gunnery range for use of the US Air Force in the Pacific, "this is a training feature they do not enjoy in other countries that host the US bases," military officials said.

Allied countries like Singapore also use the gunnery range for live bombing exercises. According to some military officials, the valley is ideal for simulating difficult combat conditions and the terrain requires intricate maneuvers designed to hone pilot's skills.

Even if the Americans abandon Clark and Crow Valley, the Philippine Air Force (PAF) will not use them, said PAF commander Maj. Gen. Loven M. Abadia.

He said PAF has scrapped plans to move some of its combat aircrafts to the said base because of the uncertain flying conditions near Mt. Pintubo.

He added he is inclined to permanently station the 5th Fighter wing from the heavily damaged Basa Air Base to Palawan.

To guard the country's northern air limits, which was the function of Basa, PAF will instead post at least two fighter interceptors at Laoag Airport.

Before the eruption of Pinatubo, the military had planned to transfer the 15th Strike Wing based in Sangley Air Station to Clark as part of a joint-use arrangement of the base.

Salonga Sees Strong Opposition

HK1807045091 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 18 Jul 91

[Text] Senate President Jovito Salonga said the proposed new bases treaty will surely face strong opposition. He is expecting there will be heated debates in the Senate before it can be ratified.

Under the new Constitution, the Senate will be the one to ratify any agreement by a two-thirds majority vote.

The draft treaty states that the United States will use the Subic Naval Base for ten years at an annual compensation of $203 million. Nonetheless, the Philippine panel says that in the first year, the compensation will amount to $960 million.

Enrile Cites Problems With Accord

HK1807061791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 0055 GMT 18 Jul 91

[Telephone interview with Senate Minority Floor Leader Senator Juan Ponce Enrile on "What's Your View" program by host Caloy Castro—live]

[Excerpt] [passage omitted] [Castro] Mr. Senator, what is your reaction to the agreement between the Philippines and the United States regarding the extension of the Subic military base for 10 years and the pullout of Clark Air Base?

[Enrile] Yesterday in our meeting at the Sycip, Gorres, and Velayo which was attended by Secretary Manglapus, I asked why they should sign the agreement when they are not certain about its ratification by the Senate. I told them that before they sign it and before committing our nation, they should meet their coalition—the 22 senators in the Senate—and ask them who would and would not support this. And, if they can not obtain the required number, they should tell the Americans, they cannot get the 16 senators needed to ratify this, so that they do not get caught up. But they insisted.

The way I see it, they will not be able to get the 16 senators. That is where the problem lies. Third, if this cannot be ratified by 16 September 1991, and that is only 60 days from now, the Aquino government will have a problem because the Americans will invoke the exchange of notes signed between Secretary Narciso Ramos and Dean Rusk, the secretary of state of the United States, in 1966. The Americans may press for this because it says that the one year notice must be given after 16 September 1991 and, if we will give one year notice [word indistinct] agreement will continue for another year. So, the notice given by Mrs. Aquino through Secretary Manglapus is null, has no effect. So, there will be a conflict and collision course between our country and America. Fourth, who should ratify this first? Is it we the host country? We who are hosting the American soldiers or they first? So that we know whether this would also be ratified in the United States because, according to our Constitution, this has to be a treaty also under U.S. law. Now, Mrs. Aquino's group, the administration, is saying that under U.S. law there is no more need for ratification. But, if they recognize the agreement as a treaty now, then a problem arises out of the agreement in that we would be suing each other in the World Court, America could say that this is not a treaty but an executive agreement only. What will the Philippine's position be? Manglapus is saying that an exchange of ratification would take place. But, if there is to be an exchange of ratification, we should know which side will ratify it—is it we here or they there?

[Castro] On another issue, sir. Would General de Villa's nomination pass through the Commission on Appointments as the new secretary of the Department of National Defense?

[Enrile] I cannot answer that. It is only the ruling party which can answer that because they control the Commission on Appointments.

[Castro] Will you not invoke Section 20, Mr. Senator?

[Enrile] I do not know the issues involved there yet. You know, friend or not, if he is right, let us accede. Anyway, there is this Section 20 and other means to investigate the appointment. [passage omitted]

Ramos: Clark Pullout Reasonable

HK1807120791 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 18 Jul 91

[Text] Outgoing Defense Secretary Fidel Ramos believes it is reasonable for the United States to withdraw from

Clark Air Base and retain Subic Naval base. Here is Josette Olivera with the details:

[Begin recording] In a news conference, Ramos said that the United States will have a limited benefit for maintaining Clark Air Base because the (?airborne weapon system) and the land based system would have to be phased out in the future. According to Ramos, Subic Naval Base is more important to the U.S. Government because it occupies a vast area which can be used for the launching of a successful underwater weapon system. This is apart from its importance to the stability of the Southeast Asian region. [end recording]

Congress Debates Taiwan Fishing Rights Accord

HK1707145491 Manila MANILA BULLETIN in English 17 Jul 91 pp 1, 17

[Text] House multipartisan leaders said yesterday the Philippines-Taiwan fishing agreement is a "substantive step" in upgrading the 40-year-old One-China policy toward the building of "symmetrical relations" with the two Chinas.

Speaker Ramon V. Mitra Jr. said the repeated threats of the People's Republic of China (PROC) to cut diplomatic relations with the Philippines in reaction to incidents involving Taiwan are "dulled by the reality that the two Chinas are drifting unavoidably and inexorably toward a historic union, in one form or another, so that any act of amity with one should conduce to friendship both."

Rep. Jaime Lopez (LDP [Struggle of Philippine Democrats], Manila), vice chairman of the House committee on foreign affairs, said the pact that was approved on subdiplomatic level, widens corridors toward normalizing trade, commerce, industrial, and other ties with Taiwan, only 20 minutes away by jet flight, as the Philippines' closest northern neighbor.

Rep. Rodolfo Albano (KBL [New Society Movement] Isabela), voicing the view of the opposition as former House minority floor leader, said the Philippines is in no position to ignore the vast potentials to be derived from better diplomatic circumstances with Taiwan as one of the world's new "economic colossus."

"On purely practical terms, there is more to be gained from Taiwan in the effort to cope with the deepening economic difficulties than from the PROC which is beset with its own economic and other problems," said Rep. Alberto Lopez (LP [Liberal Party] Iloilo), speaking for the 24-member Liberal Party bloc.

Rep. Jose de Venecia (LDP, Pangasinan), chairman of the House committee on foreign affairs, pushed for the approval of the House bill urging active economic, cultural, and social ties with all nations that have no diplomatic relations with the Philippines as an official policy to legitimize ties with Taiwan. The bill did not identify these "nondiplomatic nations."

President Aquino should visit Taiwan, as the heads of state of Indonesia, Singapore and other countries having a One-China policy have already done over the recent months, said Rep. Leonardo L. Guerrero, Chairman of the House agriculture committee.

Guerrero said this will not be objected to officially, and should be welcomed by the Filipinos, considering the presence here of thousands of Taiwanese who have proved friendly law-abiding, and contributed to the economic enhancement of the Philippines.

Rep. Alberto Veloso (LDP, Leyte), labor committee chairman, said there are more than 50,000 Filipino workers in Taiwan, more than there ever was, and will be, in mainland China.

Veloso said the measure should be regarded as auguring well for the eventual legalization of the status of Filipinos, many of whom gained entry as tourists and have no legal papers as resident workers in Taiwan.

The subdiplomatic deep-sea fishing agreement, Rep. Marciano Pineda (LDP, Pampanga) said, should pave the way for other agreements involving weather forecasting and study, labor, postal, and investment areas.

Pineda noted these agreements exist between Taiwan and some 40 countries having a One-China policy.

The fishing pact will benefit some 2,500 Filipino fishermen who, in accordance with the provisions of the agreement signed in Taipei on July 7, will train and be employed in Taiwanese fishing vessels, the solons said.

Government To Reduce Import Levy to 5 Percent

HK1807004991 Manila THE CHRONICLE in English 17 Jul 91 pp 1, 6

[By staff member Lito Zulueta]

[Text] The Government will reduce next month the 9% import levy by four percentage points, to 5%, Finance Secretary Jesus Estanislao said yesterday.

But the government may have to impose tariffs on imported oil products to make up for the loss of revenues as a result of the reduction.

The government's new tack on the controversial levy was disclosed during President Aquino's meeting with business leaders yesterday in Malacanang.

The meeting was called so Mrs. Aquino could prod business leaders to exert effort to have prices of commodities reduced along with the forthcoming cut in petroleum prices.

Business' response to the President's request was in the form of a request: lower the import levy and exempt capital equipment from the surcharge.

To which Estanislao responded with the reduction. He said, however, he would have to study if capital equipment could be exempted since this is prohibited under the General Agreement on Tariffs and Trade (GATT).

Estanislao added he was wary of granting exemption to capital equipment since this might benefit only established industries that do not need protection.

"What I'm really interested in would be to universalize incentives so that even the smaller ones can participate," he said.

Raul Concepcion of the Makati Business Club said that with the reduction, business could compel an average reduction of the prices of goods with high import content of 2-3%.

He said that due to the effects on agricultural production and livestock by the Mt. Pinatubo eruptions, business would have difficulty in lowering prices.

"Nevertheless, the business sector realizes the predicament we are all in. And everybody will try to tighten their belts and try to pass on that benefit of lower interest rates...lower exchange rate and the lowering of import levy (to consumers) by at least stablizing prices, if not lowering basic commodities," he said.

Aurelio Periquel, chairman of the Philippine Chamber of Commerce and Industry, said the business sector would flood the market with goods so as to lower prices.

"We are seeking the cooperation of bankers in financing investors to realize a market-induced reaction on the price of commodities," he said.

In a talk with Malacanang newsmen, Estanislao said the levy reduction would mean a loss for government of P[Philippine pesos]10 billion (P2.5 billion per percentage point).

He added that with the government-guaranteed financial shortfall of the state-owned National Power Corp. amounting to P7 billion, plus a rehabilitation bill of P2.5 billion for Pinatubo-damaged areas, the government cash deficit would amount to nearly P20 billion.

The finance chief said the cash shortfall would prod the government to look for other sources of financing. "I can give away only if I can get alternative source of financing," he said.

Since Congress is blocking moves by the Executive to enact new tax measures, especially specific taxes on oil products, Estanislao said the government would have to impose tariffs on oil products administratively.

If so, then the government would only impose on oil products what it suspended when it implemented the import levy last January. At the time, it exempted oil products from the coverage of the surcharge.

Estanislao said Congress is still being urged to pass the new revenue measures such as the road user's tax.

But foreseeing a clash over the issue, the finance chief suggested that the House of Representatives at least pass measures refining the tax system.

Business leaders who met with President Aquino yesterday said they will appeal to their members to pass on to the consumers cost savings that will arise from the import-levy reduction.

Acting Trade and Industry Secretary Peter D. Garrucho Jr. said the business leaders will appeal to their membership once an announcement is made on the levy phasedown.

Garrucho said the government hopes that manufacturers will reflect in their prices not only the levy reduction but also the softening of interest rates, the partial rollback in fuel prices and the lowering of other costs.

Present at the Malacanang meeting were leaders of several business associations such as the Philippine Chamber of Commerce and Industry (PCCI), Buy Philippine-Made Movement, Makati Business Club and other groups.

Garrucho earlier said the government is thinking of reducing the 9% import levy to 5% next month. However, he said the amount of reduction in the levy will depend on the oil-price rollback.

He said that if prices of petroleum products are cut by more than 80 centavos, it will be hard for the government to bring down the levy to 5%.

Garrucho also asked the President to include the exemption of capital equipment importation from the levy in the next executive order that will replace EO [Executive Order] 413.

Midyear Budget Deficit Lower Than 'Expected'

HK1807002391 Manila BUSINESS WORLD in English 17 Jul 91 pp 1, 5

[By Alex B. Reyes]

[Text] After posting surpluses in the first five months of the year, Government's finances swung into the red as of end June, with the cumulative budget cut deficit at P [Philippine pesos] 5.01 billion.

Data released by the Bureau of Treasury yesterday showed that the deficit registered in the first semester was still way below the expected P24.11-billion gap for the period.

The deficit figure is expected to widen further in July with the release of about P7 billion to government workers as part of the Personal Emergency Relief Allowance.

For the first six months, total revenues reached P104.02 billion, 3% below target, while total expenditures reached P109.03 billion or 20% below program levels.

Collections

The Bureau of Internal Revenue [BIR] accounted for the bulk of revenues, generating 56% of total collections.

The BIR's collection tally of P58.21 billion was right on target, as the economic program formulated in January called for P58.21 billion in collections from the BIR within the first six months of the year.

The Bureau of Customs [BoC], with P29.70 billion in collections, accounted for 29% of revenues for the period.

Reflecting the drastic alowdown in imports caused by the slowing economy and the 9% import levy, the BoC's collections were P7.76 billion below its target of P37.45 billion.

BoC officials believe they will catch up with their collection target in the coming months as traders begin importing again to build up their inventories before the Christmas season. The expected reduction in the import levy to 5% from 9% will also cause a surge in imports and help the BoC generate more revenues.

Making up for some of the slack at the BoC were collections from the Bureau of Treasury [BTr], which brought in P9.03 billion in revenues, more than double its P4.05 billion collection target for the first semester.

With only half of the year gone, the BTr has already exceeded its full-year target of P8.12 billion in collections.

On the expenditure side, interest payments on domestic and foreign debts reached P37.59 billion, P1.33 billion below the expected level of P38.92 billion due to lowered interest rates on domestic debts.

For the whole year, Government expects to pay out P83.43 billion in interest payments.

Spending Cuts

Meanwhile a preliminary report from the Departmnt of Finance [DoF] indicates that expenditure cuts in case of further shortfalls in revenues will be mainly on infrastructure projects.

The report said a total of P31.3 billion is needed in order to fund P27.7 billion worth of ongoing projects and P3.6 billion for proposed ones.

Of those ongoing, P20.5 billion are for vital infrastructure projects, such as the P10.6 billion for the improvement of 2,000 kilometers of roads, P3.4 billion for 65,000 new telephones under the National Telephone Program, and P1.5 billion to irrigate 70,000 hectares of land.

According to the DoF report, a shortfall of P6 billion will mean that the P3.6 billion in proposed projects as well as P2.4 billion of non-infrastructure and non-social sector projects will be cut first.

Among the new programs being proposed are projects for the environment and new highways under World Bank financing and the new projects under the 17th yen credit package.

"In the event that revenue targets are not met, the necessary cutback in expenditures would imply a) reduction in budgetary provisions for Foreign-Assisted Projects (FAPs); b) the deferment of Philippine Government infrastructure program and delivery of basic service; and c) adverse effects on other priority expenditure programs of Government including CARP [Comprehensive Agrarian Reform Program]," the report said.

Specific Tax

Last week, Finance Secretary Jesus P. Estanislao said Government can afford only an average 50-centavo reduction in oil prices, because it is counting on a specific tax on oil to generate new revenues.

The 50-centavo cut translates into a potential loss of about P6 billion in revenues, Mr Estanislao said.

He warned that throwing away the chance to collect revenues from an oil tax would only lead to a destabilized economic situation, since Government will be forced to borrow more from domestic capital markets to make up for the lost revenues.

This will mean higher interest rates and increased inflation.

Mr Estanislao also said greater pressure on the peso will ensue, since foreign loans contingent on the continuation of the infrastructure projects will not be forthcoming.

Asian Development Bank Supports Industries

HK1807031791 Manila THE CHRONICLE in English 18 Jul 91 p 9

[Text] The Asian Development Bank [ADB] has approved a $100-million loan for long-term relending to small and medium industries which generally have limited access to credit.

These industries create jobs as relatively low cost and therefore are a significant and potentially dynamic segment of an economy which has a labor surplus and a capital shortage. They account for 17% of the value added and 27% of the employment generated by the manufacturing sector.

Small and medium industries also contribute to foreign exchange earnings through exports, particularly of garments, handicrafts and furniture, and facilitate regional development by providing off-farm livelihood opportunities in rural areas.

The loan, guaranteed by the Philippine government, will be relent by the Development Bank of the Philippines (DBP) to participating financial institutions at market-based fixed and variable rates set semi-annually.

The participating financial institutions will onlend the loan proceeds, also at market rates, to finance the direct and indirect foreign exchange costs of specific development projects. These will be for the establishment of new production facilities or the modernization, expansion and upgrading of existing facilities. To help strengthen the participating financial institutions, ADB will provide a technical assistance grant of $115,000 for training their staff, particularly those in countryside branches, in project appraisal and monitoring.

The maximum sub-loan will be $8 million. At least half the funds will be onlent to industries with an asset size of less than P20 million [Philippine pesos]. However, to reach medium-size enterprises in subsectors where the presence of smaller industries is limited, loan proceeds will also be available to firms with asset sizes up to $12 million.

To qualify for a subloan, an enterprise should have a long-term debt/equity ratio not exceeding 2:1 and a minimum debt service coverage ratio of 1.5. In addition, the investment project to be financed should contribute to exports or import substitution, employment generation or countryside development.

The loan will come from the ADB's ordinary capital resources. The interest rate will be determined according to the ADB's pool-based variable lending rate system. The repayment period will be 15 years, including a three-year grace period.

Asian Development Bank on Committed Funds Total

HK1807031591 Manila THE CHRONICLE in English 18 Jul 91 p 3

[By Rodney Dalio]

[Text] Loan commitments by the Asian Development Bank (ADB) to the Philippines will reach at least $700 million this year, an amount substantially higher than the average of $500 million the country avails from the institution every year, senior ADB officials told reporters yesterday.

ADB director for the private sector A. Cushman May said the increased amount was approved to help the country recover from the effects of Mt. Pinatuco.

The ADB has just approved a $100 million loan to the country for small and medium scale industries.

The amount will be made under the lending window of the Development Bank of the Philippines.

May said the ADB do not have a policy of putting a cap on the maximum amount a member country can borrow from the institution.

May also disclosed they are about to approve by next month the application of Marinduque Copper and Mining Corp. (Marcopper) for a $40 million loan to be used for the development of its second mine.

The company is the biggest business concern in the island and employs at least 2,000 people, May said.

May's assistant K.W. Lee said Marcopper has done "a wonderful job" in controlling the damage of its tailings to the environment.

ADB Loan Expected To Develop Capital Market

HK1807064991 Manila THE CHRONICLE in English 18 Jul 91 pp 1, 9

[Text] Manila is expected to receive next year a $400-million loan to develop its capital market, Asian Development Bank [ADB] officials announced yesterday.

ADB president Kimimasa Tarumizu said the loan would be used to "internationalize" the Philippine capital market to help it attract the interest of foreign investors.

Tarumizu said the release of the loan would largely depend on the early unification of the Manila and the Makati stock exchanges.

Tarumizu said the merger of the two bourses is necessary to make them more efficient.

A. Cushman May, ADB director for the private sector, told reporters that the loan is not included in the bank's projected lending to the Philippines under a structural adjustment loan (SAL) window with the World Bank.

May said the main objectives of the loan is to strengthen the operation of the Securities and Exchange Commission (SEC), to provide for a credible rating agency and to computerize the operation of the unified stock exchange.

SEC officials told the CHRONICLE they hope to effect the marriage of the two bourses within the year.

Tarumizu, in a speech Tuesday at the inaugural conference of the Asian Securities Industry Institute (ASII), said the development of capital markets is crucial if the privatization efforts of ADB members countries are to succeed.

The governments in developing countries, he said, have begun to appreciate the dynamic role capital market plays as efficient mobilizers of private savings and channels of investment funds.

"When financial instruments are seen to be attractive form of investment, they provide a strong incentive to save. Through capital markets, industries then compete for those financial resources," he said.

This mechanism, he added, contributes to a healthy investment climate and allocates scarce funds to the more capable and successful companies.

Tarumizu cited India, where the development of a large domestic bond market enables private entrepreneurs to raise substantial amounts of capital for investment in industrial projects.

The growth of capital market also enables the government to sell its assets to small investors.

A good example, he said, is the privatization of share issue.

"This enables small investors to benefit from equity issues of companies previously owned by the government. In this case, even small savers can participate as owners and enjoy the prospect of larger returns.

Tarumizu cited Korea, Singapore and Malaysia, where there have been significant moves toward privatization.

"I'm happy to note that Pakistan is steadily developing its privatization policies," he said.

Tarumizu failed to mention the Philippines, which has a mixed record in privatizing shares through the stock exchanges.

The Philippine government has been discouraged to tap the exchanges to sell assets after it was embroiled in a contoversy over the pricing of Philippine National Bank shares when they were offered in 1989.

Coordinating Council Outlines Aid Disbursement

HK1807071491 Manila THE CHRONICLE in English 18 Jul 91 p 3

[Text] About 67% of the 1989 Philippine Assistance Program (PAP) has been disbursed as of March 1991, the coordinating council on the PAP [CCPAP] said.

The bulk of the disbursement was accounted for by the World Bank with $413.8 million. Japan disbursed $212.5 million and the Asian Development Bank, $131.9 million.

The CCPAP reported that four major sectors accounted for more than half of the commitments for public sector projects: water resources, 23.7%; energy, power, and electrification, 15.1%; industry, trade and tourism, 12.1% and communication, 11.6%.

A report prepared by the CCPAP showed that the cumulative disbursement rates of active ODA [Official Development Assistance] loans had improved to 83.8% in 1990 from 81% in 1989 and only 79% in 1988.

It stated that of the scheduled disbursements (cumulative) of $4.17 billion in 190, $3.5 billion had been actually disbursed.

CCPAP executive director Rogelio Singson attributed the improvement in disbursement rates to the measure undertaken by government to increase absorptive capacity, most important of which was to improve the project pipeline for foreign financing.

He said the measures had handsomely paid off, firstly resulting in the increase in the number of projects approved: 41 projects in 1990 worth some $3.7 billion, 55% higher than in 1989.

Second, the availment rate and loan drawdowns increased. Singson said the cumulative availment rate was up 83.8% as of end-1990. He, however, expected this to decline this year due to the budgetary constraints and the delay in the approval of the 1990 budget.

Actual drawdowns from program loans in 1990 amounted to about $768 million, about 38% and 31% more than the 1988 and 1989 levels, respectively. Total loan drawdowns from project loans in 1990, on the other hand, was about $639 million, 151% more than the 1988 level.

Commission Refutes Amnesty International Report

HK1707152691 Manila MANILA BULLETIN in English 17 Jul 91 p 10

[Text] The Commission on Human Rights (CHR) never ignores any human rights violation cases as it not only investigates complaints but also provides relief and remedies to victims, as well as protection to endangered or threatened complainants and their witnesses.

This was stressed yesterday by the commission which branded as unfair and exaggerated a recently published report of Amnesty International (AI) about "disturbing human rights abuses" in Asia, including the Philippines, which have allegedly been ignored or left unattended.

Earlier, President Aquino also took strong exception to the AI report, saying her government's concern for human rights was a "matter of record" as she cited the work of the CHR to attest to this fact.

A top CHR official said the commission has always responded to AI's reports to alleged human rights abuses and regularly informed it of the results of CHR investigations of these allegations, whether involving government agents or subversive elements.

Citing statistics, the CHR official said the incidence of human rights violations in the country has been greatly reduced. From 1986 to the first quarter of this year, the commission filed 1,509 cases of human rights violations with various agencies for prosecution.

The official said the Philippines is now the only country in the world which has pioneered in various programs for the protection and promotion of the human rights of persons, including those under detention and during armed conflicts.

Only recently the CHR has entered into memorandums of agreement with the Department of National Defense, the Armed Forces of the Philippines, and the Department of Interior and Local Government which has jurisdiction over the Philippine National Police, to safeguard and enforce:

1. Visitation rights of families, lawyers, doctors, spiritual advisers of detainees; free and unlimited access of the CHR investigators to prisons, detention centers, military

camps, police stations to investigate alleged violations of the human rights of detainees and conditions in detention centers.

2. Guidelines on the establishment of clearly visible checkpoints wherever such are necessary, requiring uniformed, clearly identifiable personnel manning and operating them, directing proper and humane treatment of those stopped or apprehended, and requiring that they be brought immediately to the proper authorities;

3. Procedures for recording the identities of those apprehended or arrested and for witnessing their release by the arresting officers, or the military, to avoid or prevent salvaging, extrajudicial executions or disappearances;

4. Unlimited access of CHR lawyers, doctors, investigators to jails, detention centers of military camps in the investigation of alleged unlawful arrests, arbitrary detentions and torture.

Additionally, the CHR official disclosed that seminars, workshops, and training courses on human rights and international humanitarian law are being conducted regularly for military and police officers, starting with those in the National Capital Region.

Bomb Found in Power Company Office in Cebu

HK1807040391 Manila PHILIPPINES NEWSDAY in English 18 Jul 91 p 3

[Text] Soldiers found a bomb inside an office of the state-owned National Power Corporation (NPC) in Cebu City yesterday after employes were jolted by a loud firecracker explosion, authorities said.

The explosion occurred around 8:20 a.m. and the bomb was found inside a garbage can near the firecracker in an office that monitors local projects of the NPC, said an employe who was reached by telephone.

The employee, who requested anonymity, said the four-story building was ordered evacuated while an army bomb disposal unit searched for bombs. No other bombs were found.

Major Gabiana Catalino, chief of the army's bomb disposal unit in Cebu, said the bomb was made of eight sticks of dynamite attached to an electronic remote control triggering advice.

Catalino said the device could have killed or injured people within a 15-meter radius if it had exploded. He said it was later defused at a military camp.

Catalino said investigators had no immediate suspects in the bombing and could not say whether they were related to ongoing talks on the future of the U.S. military facilities or to a planned nationwide strike later this week to press for a drop in fuel prices.

Early Tuesday, one woman was slightly injured when bombs damaged two banks in Manila.

Police arrested a soldier, Edrian Balad, 30, who allegedly was trying to set off 20 sticks of dynamite near another bank. The soldier claimed to be a member of a military dissident group that was involved in previous coup attempts.

Police said the bombings in Manila were meant to embarass the government during talks on continuation of U.S. leases on military bases in the Philippines.

Aquino Announces Proposed Oil Price Rollback

HK1807105291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Jul 91

[Statement by President Corazon Aquino in Malacanang on the oil price rollback—live or recorded; monitored in progress; in English]

[Text] ...Cuisia for presentation to ERB [Energy Regulatory Board]. These recommendations arrived at by TUCP [Trade Union Congress of the Philippines], FFW-LACC [Federation of Free Workers-Labor Advisory Consultative Council], LMLC [expansion unknown]-LACC, KAMPIL [expansion unknown]-LACC, along with representatives of the industry and energy sectors are: reductions of three pesos per liter for both premium and ordinary gasoline; 45 centavos per liter for diesel and kerosene and 66 centavos per liter of LPG [liquified petroleum gas].

I must emphasize that these are recommendations which I am supporting and which we hope ERB will consider. As previously indicated, ERB will announce its decision by mid-August when we shall have wiped out the OPSF [Oil Price Stabilization Fund] deficit.

I would also like to express my gratitude to these multisectoral support groups for their enlightened acceptance of the economic realities prevailing in our country today. Most especially to the labor federations for their patience and understanding. Let me reiterate that difficult economic decisions can be translated into effective economic solutions that will, in the long run, provide the greatest good for the greater men. That is what democracy must be.

On the other hand, what may be perceived as popular politics does not bring about lasting and sound economics, even as the government addresses the wider requirement of stability in society, our commitment to the economic stabilization program is reaffirmed.

There is much that the country still critically needs that is already beyond what the president's mandate can constitutionally offer. This is therefore an opportunity for Congress to continue to join hands with me beyond the pale of politics in creating the financial wherewithal with which we can bridge the gap in our budgetary deficit. Only Congress can now help in preserving the gains we have already achieved in stabilizing our economy in order for real growth to ensue.

I would like to thank in advance Speaker Mitra and the congressmen for their commitment to act on the revenue enhancement measures that we are working on together with them. Let me also make the appeal to Senate President Salonga and the senators.

We are not remiss in our obligations toward the legitimate expression of people's concerns presented in the ways of truth and peace. It is in this light that I view the impending mass rally on Monday that will be made to coincide with the opening of Congress. Government will protect the rights of the participants in the rally, just as the government is prepared to preserve peace, the Constitution, and national stability.

In this connection, I am declaring Monday, July 22 1991, a holiday in Metro Manila. However, the opening of Congress will take place as scheduled.

Also on Monday, I am calling for an ecumenical day of prayer. Let us observe sometime during the day in the company of our loved ones in our churches and in our homes moments of prayers for peace in our hearts and in our time; for an orderly rally for those airing grievances in our streets, for continuing strength in the midst of adversity and most especially, for our brothers and sisters who have suffered so much because of the Mt. Pinatubo eruption. Thank you.

Groups Plan To Join Protest Against Oil Prices

HK1707091491 Manila THE CHRONICLE in English 17 Jul 91 pp 1, 6

[By Staffmember Booma Cruz]

[Text] Multi-sectoral groups yesterday responded to the call of organized labor to join the nationwide protest actions calling for a rollback of oil prices and vowed to give the government a dose of its own medicine.

But equally determined government officials, through Interior and Local Government Secretary Luis Santos, said the government is ready for any eventuality and warned protesters against resorting to violence.

Jose V. Bautista, an official of the Bagong Alyansang Makabayan [New Nationalist Alliance] (Bayan) and a member of the People's Caucus, predicted that the July 22 protest actions led by the multi-sectoral Anti-Poverty Movement and the Iglesia ni Kristo [Church of Christ] (INK) would be the biggest and most effective mass action under the Aquino goverment.

"We fear that this might explode into something bigger. We do not fear that this might fizzle out (like some of the previous mobilizations). There are forces beyond our control who could take advantage of the situation. If they do, then we only have the government to blame for its refusal to heed the people's demand. If it does not want to be disturbed or threatened by instability, then it must listen to what the people say," he said.

The growing support for the clamor for an oil-price rollback has led organizers to call the protest actions a "Protestang Bayan [Nationwide Protest]" as opposed to a "Welgang Bayan [Nationwide Strike]," which has been associated with industrial and transport strikes.

Protest organizers said they would employ the same weapons people now in government used against Marcos—motorcrade rallies, noise barrage, wearing of black ribbons and shirts, coordinated turning off of lights, etc.

Multi-sectoral groups, including organized labor, would start its nationwide protest actions on Thursday with work stoppages in various establishments and a transport strike.

One of the organizers promised to have a "dark" Metro Manila from 8 p.m. to 9 p.m. in time with the noise barrage and lighting of candles in households in support of their demand. Telephone lines in selective areas would also be cut, a union official added.

Government workers belong ing to the Public Sector Consultative Council (PSCC) said they would join the multi-sectoral protest actions.

"We will defy any Civil Service Commission order asking us to stay put. We warn agency heads against harassing those who would join mass actions," said Boboy Equipaje, a PSCC official.

PSCC claimed that at the least 75 government agencies and seven government-owned and controlled corporations would be affected by mass walkouts and daily pickets starting Thursday.

A motorcade rally in the business district of Makati is scheduled this Friday.

Crispin Beltran, Kilusang Mayo Uno [1 May Movement] (KMU) chairman, said the planned protest actions would be sustained until the big rally Monday next week, to coincide with President Aquino's State-of-the-Nation address at the opening of the fifth session of Congress.

INK would hold its Monday rally at the Liwasang Bonifacio [Bonifacio Plaza].

Bautista said only a substantial rollback in oil prices, not a reduction, could stop multi-sectoral groups from holding the Protestang Bayan. He said a government commitment to immediately roll back oil prices could only delay the protest actions but not stop people from taking the issue to the streets until an actual substantial cut in oil prices is implemented.

"With a government commitment to roll back oil prices, we might consider. But the problem really with this government is that it does not honor its commitments. So we want an actual implementation...a substantial rollback," Bautista added.

Asked what a substantial rollback meant, he replied: "If we're asking for P5 per liter and they give us P4.50, that's substantial."

Beltran described a substantial rollback as "somewhere between what is acceptable to the INK and our demand of P5 cut per liter of oil."

INK officials have earlier agreed not to hold a rally on Monday as long as the government approves and implements a 50% cut in the price increases levied on all oil products last December.

Meanwhile, the Rebolusyonaryong Alyansang Makabansa [Revolutionary Nationalist Alliance—Civilian counterpart of Reform the Armed Forces Movement] (RAM), through its official spokesman Gabriel Dimasupil, expressed its "unconditional support" to the planned protest actions.

RAM appealed to the government to exercise maximum tolerance and restraint and "allow our people full expression of their indignation and outrage."

Groups Deny Military Accusations Over Strike

HK1807002191 Manila PHILIPPINES NEWSDAY in English 17 Jul 91 pp 1, 2

[By Jessica Domingo-Gross]

[Text] Militant groups and the Iglesia ni Cristo [Church of Christ—INC] yesterday lambasted the military for peddling rumors tending to discredit the protest and muddle the real issue behind the welgang bayan tomorrow.

The welga organizers likewise did not rule out any possible last-ditch arrangement that the government may propose. But such an arrangement should be a "substantial" reduction in the current prices of oil and oil products.

In related developments:

—James Paul Linn, lawyer of former First Lady Imelda Marcos categorically stated in a phone interview from Oklahoma City that "Mrs. Marcos did not have any knowledge of the Iglesia ni Cristo protest action until two days ago when she read the newspaper reports faxed to her daily from Manila. She does not have anything to do with the Iglesia plans."

Linn made the statement in the wake of newspaper reports linking Mrs. Marcos to the July 22 protest by the INC.

"It makes us wonder whether the government of Mrs. Aquino has suddenly found in this legitimate citizens' protest another alibi to shore up its weak position to keep the Marcoses out of their own homeland," Linn said.

—The Rebolusyonaryong Alyansang Makabansa [Patriotic Revolutionary Alliance] (RAM), in a press statement signed by its official spokesman Gabriel Dimasupil said:

"As a manifestation of our shared aspirations with our people, we hereby declare our unconditional support to the multisectoral protest action against the unconscionable and oppressive imposition of high oil prices by this insensitive regime.

"To insure a peaceful and orderly demonstration, we will unilaterally cease all tactical activities during the period of this protest action.

"We therefore appeal to the military, police, and other government forces to exercise maximum tolerance and utmost restraint, and allow our people full expression of their indignation and outrage.

"We reserve the right to respond against any unprovoked, senseless, and unwarranted use of force or violence towards our people by any armed forces, military, police, or otherwise."

—Interior and Local Government Secretary Luis Santos, citing intelligence reports, said the Communist Party of the Philippines/New People's Army [CPP-NPA] and ultra-rightist groups might take advantage of the welgang bayan and the INC rally.

"The intelligence community is apprehensive because the CPP-NPA are mobilizing their ranks in Metro Manila," Santos said during a press briefing.

Toward this end, he cautioned radical groups to stay away from the INC protest action.

In a press conference at the National Press Club, spokesman of the 165 organizations under the Anti-Poverty Movement [APM] Renato Constantino Jr. described the military's accusation (that there is a "hidden agenda" in the welga) as a "standard maneuver of the military to soften the effects of the welgang bayan."

Legal counsel of the Task Force Detainees Jose Virgilio Bautista stressed that if armed group, whether from the left or from the right, exploited the situation and transformed it into something else, "the government itself should be blamed."

"There are forces coming in but the government should be blamed for its intransigence. If the government does not want to be distanced (from the people) why is it not heeding the people's demands," Bautista pointed out.

INC's gospel minister Bienvenido Santiago laughed off the rumors, saying that "they should stop these rumors which only sow intrigue and alarm to the people."

"Ilindi kami unreasonable, open pa rin naman kami sa dialog ngunit dapat ay makakasapat lamang ito sa aming hinihingi [We are not unreasonable, we're still open to

dialog but this should conform with our requests]." Santiago, in a phone interview said.

"We're not a bunch of jokers. We outrightly deny that our rally on July 22 is a smokescreen for the return of Imelda Marcos. Walang political motives ito [There are no political motives here]," Santiago said.

He stressed that they had coordinated with the national defense and interior and local government departments to ensure peace during the rally.

Santiago also assailed the military for allowing a barrage of reports on supposed security risks to create an atmosphere of mistrust and danger. He called a stop to this.

"Trabaho nila (military) ay panatilihing panatag ang mga mamamayan [Their job is to ensure people's welfare]. They are releasing reports sowing panic, undue alarm, and political intrigues," Santiago added.

The APM members who pledged support for the welga tomorrow include Bagong Alyansang Makabayan [New Patriotic Alliance], Bukluran sa Ikauunlad ng Sosyalistang Isip at Gawa [Unity for Socialistic Thinking and Work], People's Caucus, National Union of Students of the Philippines, Alliance of Health Workers, Confederation for Unity, Recognition, and Advancement of Government Employes, Pagkakaisa ng mga Samahan ng mga Tsuper at Opereytors Nationwide [Unity Among Priuers and Operators Nationwide], PDP Youth, and the KMU [1 May Movement].

The areas to be widely affected by the protest actions are the Cordillera, Central Luzon, Metro Manila, Southern Tagalog, Bicol, Panay, Negros, Cebu, Bohol, Leyte, Samar, and the cities of Cagayan de Oro; Davao, General Santos, and Zamboanga.

Manuel Sarmiento, who heads the workers in the strategic industries, said the centers of transport strikes in Southern Luzon would be Dasmarinas and Bacoor in Cavite, and San Pedro, Calamba, Sta. Cruz, and San Pablo City in Laguna, and Lucena City in Quezon.

Sarmiento also said a motorcade would be held in the afternoon of July 19 in Makati, while hour-long interruptions in Meralco and PLDT [Philippine Long Distance Telephone] services might be experienced from 8 to 9 p.m. on July 22 at the culmination of the protest actions.

The RAM statement follows in full:

"As a manifestation of our shared aspirations with our people, we hereby declare our unconditional support to the multisectoral protest action against the unconscionable and oppressive imposition of high oil prices by this insensitive regime.

"We urge our people to join our brothers in the streets in exercising their rights of free expression to redress their grievances in a peaceful and orderly manner. We believe that the oil price issue transcends political, religious, and social bounds and therefore this government must guarantee the safety and welfare of the demonstrators.

"To insure a peaceful and orderly demonstration, we will unilaterally cease all tactical activities during the period of this protest action.

"We therefore appeal to the military, police and other government forces to exercise maximum tolerance and utmost restraint, and allow our people full expression of their indignation and outrage.

"We reserve the right to respond against any unprovoked, senseless, and unwarranted use of force or violence towards our people by any armed force, military, police or otherwise.

"We hope the oil price issue will be settled in a peaceful and dispassionate manner by leaders who must rise above partisan considerations for the benefit of our countrymen who are already reeling from the series of natural and man-made disasters.

"For the Movement:
(Sgd.) Gabriel Dimasupil
Official Spokesman"

"We will take whatever measure to establish law and order and there wil be no turning back," Santos said.

Santos said the DILG [Department of Interior and Local Government] and the PNP [Philippine National Police] had taken security measures to ensure that the protest rally would be free from infiltration by radical groups.

"We want this to be purely an Iglesia ni Cristo affair," he pointed out.

The DILG chief urged the INC members to wear certain identification tags and to provide their own ranks with marshals.

Santos told newsmen that he had assigned PNP officers Generals Levy Macasiano and Ely Macaspac, who are members of the INC, to take charge of the security forces.

Santos has discussed with some Iglesia leaders contingency plans for the holding of a peaceful and manageable rally.

"We are working closely with them to ensure their safety and to guarantee the exercise of their constitutional rights."

"However," he added, "if there is a violation of law, we will protect our people and do our duty to preserve peace and order."

"Our job is to safeguard the exercise of the people's constitutional rights, but we are also in charge of maintaining law and order," Santos stressed.

The DILG secretary expressed apprehension in managing a rally of more than one million people, mentioning traffic congestion and difficulty of getting a ride.

Santos, however, is optimistic that the INC protest rally will be a peaceful expression of grievances.

Abadia: No Need for Armed Forces Red Alert

HK1707060691 Manila Far East Broadcasting Company in Tagalog 0100 GMT 17 Jul 91

[Text] There is no need for the Armed Forces of the Philippines [AFP] to declare a red alert in the wake of the recent bombings of two banks in Metro Manila. This was said by AFP chief of staff General Lisandro Abadia as he explained that the bombings at the Metro Bank in Quezon City and the BPI branch in Sampaloc are not a sign that a new coup d'etat will take place. He emphasized that rebel soldiers no longer have the capability to launch a new coup d'etat and said the communist rebels also do not have the ability to topple the Aquino government. He said the bank bombings are just hit-and-run operations either by rebel soldiers or the communists.

Meanwhile the general said efforts are continuing toward a reconciliation between the government and rebel soldiers. He said widespread searches are also continuing to track down the dissidents, while the door remains open for a dialogue with them.

Suspect in Shooting of U.S. Citizen Arrested

HK1707131191 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 17 Jul 91

[Text] A prime suspect in the slaying of the son of a U.S. Embassy official and the wounding of two others surrendered to the National Bureau of Investigation [NBI]. The suspect was known as Claudio Teehankee Jr., son of the late Supreme Court Justice Claudio Teehankee. With Teehankee's surrender, it is believed the case of the killing of Roland Chapman is solved. The crime happened in Makati early morning and Maureen Hopman and (Jucy Odaby Leeno) suffered injuries, according to National Bureau of Investigation Director Alfredo Lim. Members of the NBI were able to convince the suspect to surrender when he was found inside the getaway car that Teehankee used after commiting the crime.

Armed Forces Chief on Declining Rebel Strength

HK1807053391 Manila MANILA BULLETIN in English 18 Jul 91 p 8

[By Aris R. Ilagan]

[Text] Armed Forces chief of staff Gen. Lisandro Abadia disclosed yesterday that the Communist Party of the Philippines (CPP) and its militry arm, the New People's Army (NPA), have established "phantom guerilla fronts" in various parts of the country only to project an image that the movement has increased its armed regulars.

In an interview, Abadia said that military intelligence reports have indicated that the CPP-NPA are splitting guerilla fronts into smaller units. Although the guerilla units have become undermanned, Abadia said that CPP-NPA officials still tag the newly-split units as regular guerilla front.

"This kind of move only indicates their (CPP-NPA) intention to mislead the government into thinking that they were rebounding from their setbacks," Abadia said.

Under "Oplan Lambat Bitag," the number of CPP-NPA guerilla fronts has decreased from 72 in 1987 down to 58 this year.

Military records revealed that the communist movement suffered a four percent decline on the strength of their armed regulars from 17,270 in June last year to 16,590 this month.

During the same period, the NPA also suffered a seven percent decrease in their firearms from 11,700 down to 10,850.

The records also showed that 11 percent of the country's 40,846 barangays are still considered affected by communist insurgency.

Economic Boom Contributes to Communist 'Decline'

HK1807012591 Manila THE CHRONICLE in English 17 Jul 91 pp 1, 6

[By staff member Manny Mogato]

[Text] Economic boom in some parts of the country like Cebu City and the Calabarzon in southern Luzon has contributed in the decline of the communist insurgency over the past six months, military analysis said.

The analysis said the decline in the communist insurgecy was clearly indicated in the reduction of the New People's Army (NPA) strength as well as their activities in these economic boom towns.

For instance, there was a 21% reduction in the strength of the NPAs in Cebu City from June 1990 to June 1991, or from 340 to 270 regulars, the highest negative growth rate of NPA membership in the country.

This was followed by a 16% reduction in the Calabarzon in the southern Luzon area, or from 1,180 to 990 regulars during the same period.

Metrol Manila, Central Luzon and Ilocos regions came in third with identical 12% reduction in the NPA's strength. The Cordillera region registered a 10% reduction, while the other regions posted negative growth rates ranging from 5% to 7%.

Communist guerrillas, however, registered slight increases in membership in the Bicol, Cagayan and Eastern Visayas regions. The Bicol region appeared to

have become the rebels' sanctuary, with an increase of at least 7% in NPA strength, from 1,380 to 1,390 regulars during the same period.

Both the Cagayan Valley and Eastern Visayas regions had similar 4% increases in rebel membership.

On the whole, the rebels' strength was further cut by at least 4%, from 17,270 regulars in June 1990 to 16,590 regulars in June 1991.

Rebel armaments were also down by 7%, from 11,700 firearms to 10,850 during the same period.

The number of barangay affected by the communist insurgency also went down by 7%, from 4,841 barangays to 4,482 at the end of June 1991.

A classified document obtained by the Chronicle also showed that the military continued to enjoy the upper-hand in various combat parameters in determining the effectiveness of the government's anti-rebel plan, code-narmed "Lambat-Bitag."

The six-month combat figures showed the government enjoying a slight advantage in the number of initiated encounters 2.1:1, or 831 initiated armed engagements against the rebels' 395 initiated encounters.

The government was also ahead in terms of fatality ratio, with one government trooper killed for every 1.87 guerrillas killed in about 1,500 insurgency-related violent incidents since January.

There were a total of 276 civilians killed, or a daily average of about 1.65 civilians killed, the lowest since 1985, when the daily average was 3.73 civilians. Last year the daily average was 1.87 civilians.

It was only in the firearms exchange ratio where the rebels had slight advantage, 1.08:1, or a total of 403 firearms lost to the rebels against 373 firearms gained.

April was the worst month for the government. A total of 129 firearms were lost, against only four firearms gained. At least 44 of the firearms lost were in Ilocos Sur, where the guerrillas raided a Cafgu detachment.

The new figures on the communist insurgency were based on a recent intelligence estimates prepared by the Office of the AFP Deputy Chief of Staff for Intelligence (OJ2) in Camp Aguinaldo.

The intelligence community held its regular national order-of-battle conference last week to review and assess the anti-rebel campaign as well as validate claims by the field units on the actual status of the anti-rebel campaign.

Based on these top-level intelligence meetings, the military claimed to have sustained their antirebel drive, further cutting down the rebel's strength and firearms inventory back to its 1984 levels.

In 1984, the rebels' strength was almost 15,000 regulars with about 10,000 firearms. The rebels' strength jumped to 25,000 regulars in 1987, but it started to go down by 1988 after the AFP had adopted the "Lambat-Bitag [New Trap]".

The military expected to cut the rebels' strength by at least 50% from its 1987 level before the end of President Aquino's term in June next year.

Police Charge NPA Officials in 1971 Bombing

HK1807020691 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 17 Jul 91

[By Jim Belosano]

[Text] CIS [Central Intelligence Service] director, Chief Superintendent Vinarao, has filed charges against primary officials of the CPP-NPA [Communist Party of the Philippines-New People's Army] who were implicated in the Plaza Miranda bombing in 1971. Eight persons were killed in the incident and many were injured.

Formally charged according to Vinarao were, Jose Maria Sison, Monico Atienza, Hemingildo IV Garcia, and Manuel Collantes and Roque Magtanggol, alias Comrade Daniel and Comrade Ronald.

Based on investigations, the accused CPP-NPA leaders met on 21 August 1971 in the house of one of the suspects in Paranaque. In the said meeting, Joma Sison allegedly ordered the bombing of the Liberal Party political rally.

Vinarao also added that the idea of the bombing was aimed at triggering a feud between rival political parties which ended up in killings.

AFP To Recruit 10,000 Men for Counterinsurgency

HK1507065891 Manila MANILA BULLETIN in English 15 Jul 91 p 10

[By Aris R. Ilagan]

[Text] Camp Evangelista, Cagayan de Oro City—Armed Forces chief of staff Gen. Lisandro Abadia said yesterday the military will recruit additional 10,000 militiamen for the Civilian Armed Forces Geographical Units (CAFGU) in the provinces to ensure the success of the government's counter-insurgency campaign.

In a dialogue with members of the Army 4th Infantry Division, Abadia said the military needs 10,000 more CAFGU members to beef up its "holding forces" in remote barangays now infiltrated by New People's Army (NPA) rebels.

Under the strategy "Oplan Lambat Bitag [Operation Net Trap]," military units, particularly Army troopers, first conduct clearing operations against NPA guerrillas in communist-influenced barangays before the elements of

the Philippine National Police (PNP) and the CAFGU; both considered as "holding forces", start conducting security operations.

After the holding forces have already established their posts inside the barangay, various sectors of the government can then pursue consolidation of affected families as well as implement development programs for the residents.

Abadia said funding for the additional CAFGU units will still be subjected to the approval of the Congress.

"I will do everything just to obtain the much-needed CAFGU funds because the success of counter-insurgency highly depends on the holding forces," he said.

Col. Victor Garcia, AFP spokesman, said there are about 800 companies with more than 60,000 men deployed in various military and police commands nationwide.

Under military rules, CAFGU members are selected within the barangay so as not to isolate them from their families and sources of livelihood.

With a basic monthly allowance of P900 [Philippine pesos] each, the militiamen undergo training with members of the Army Special Forces on the conduct of counter-insurgency operations.

Abadia Orders Intensified Pursuit Operations

HK1607103491 Manila MANILA BULLETIN in English 16 Jul 91 p 8

[By Aris R. Ilagan]

[Text] Gen. Lisandro Abadia, AFP [Armed Forces of the Philippines] chief of staff, ordered yesterday field commanders to intensify their pursuit operations of roving New People's Army (NA) [as published—NPA] bands engaged in sniping and land mine operations in the provinces.

During a command briefing at the Army's 402nd Infantry Brigade headquarters in Bancasi, Butuan City, Abadia directed military commanders to "find and destroy" the NPA bands to prevent them from staying in one banangay to plan their acts of terrorism.

Compared to the resources of the communist rebels, Abadia said AFP soldiers have better equipment and superior firepower."

"You should keep the NPA rebels on the run. Run them down to the ground," Abadia said.

The combat score of the 402nd and 401st Infantry Brigades for the first quarter of this year revealed a kill ratio between government troopers and NPA rebels of 1:1.36.

This means that the AFP has only a small edge over the communist insurgents on the number of deaths during encounters.

Military commanders in Northern Mindanao said the NPA guerillas in their area have launched sniping and land mine operations.

They urged Abadia to give their commands portable land mine detectors to boost the morale of soldiers on patrol missions.

"The NPA rebels have been avoiding armed confrontations with government forces. Most of their operations are clandestine with planned ambushes mostly averted by our vigilant forces," the military officers told Abadia.

The 402nd Infantry Brigade was assigned to neutralize the Northern Mindanao Regional Party Committee (NMRPC) led by party secretary Alfredo Mapano.

Mapano also controls two provincial party committees in Agusan del Norte and Surigao del Sur.

Military authorities said the NMRPC has intesified its activities aimed at enhancing its political profile to revive their lost confidence with the masses.

Manila Plans To Buy British Armored Vehicles

HK1507082091 Quezon City MALAYA in English 14 Jul 91 p 3

[By Noel Bartolome]

[Text] The army has signed an agreement with a British arms contractor for the acquisition of 150 brand new Simba armored fighting vehicles worth $54 million.

Army chief Maj. Gen. Arturo Enrile signed the agreement Friday with Ronald Peter Howles, representative of the GKN [Guest Keen Nettlefold] Sankey Ltd. which will enter into a joint venture with local arms builder Philippine International Trading Corp. [PITC] to manufacture the Simbas valued at $360,000 each.

Enrile said the Simbas will augment the Army's Skorpion medium tanks and more than 100 U.S.-made V150 combat vehicles.

He said the British firm will export bare Simba units, excluding armaments and tires, while PITC will assemble the imported parts and add locally-made components.

The first batch of Simbas are expected to arrive in a few months. Complete delivery is expected late this year.

Enrile said the purchase is in line with the Army's plan to upgrade its existing armored vehicles.

He said the Simbas will improve current anti-insurgency operations nationwide.

The AFP [Armed Forces of the Philippines] Logistics Command under Brig. Gen. Manuel Mariano had developed a local version of the U.S.-made V150, called "Hari Digma." ["War King"]

The Hari Digma prototype has a U.S. engine but most of its parts are locally made. EAch unit will cost at least P3 [Philippine peso] million; the U.S. V150 costs P9 million each.

AFP officials opted to buy the British Simbas instead of building Hari Digma units because of lack of budget for more extensive research and development.

The Air Force will also acquire this September five U.S.-built OB-10 fighters. This will be the first batch of 25 planes to be delivered until next year as part of the American military aid to the Philippines.

The OB-10s will replace the World War II vintage P28 fighters, more popularly known as the "toratora."

Abadia Visits Israel for Possible Fighter Swap

HK1607092191 Manila BUSINESS WORLD in English 16 Jul 91 p 10

[Text] Philippine Air Force (PAF) Maj. Gen. Loven Abadia is leaving this week for Israel to discuss the possibility of a swap supply arrangement for KFIR [expansion unknown] fighter jets.

The United States is reportedly not enthusiastic in supplying the F-16s the PAF wants "unlike the Israelis who are very receptive to the idea because of their desire to gain a foothold in southeast Asia," officials said.

The Israelis are reportedly disposing of the KFIRs to develop a new generation of fighter aircraft.

The KFIR jets, developed in the 1970s, is a version of the Mirage fuselage with Pratt and Whitney engine. It was specifically developed because of supply restrictions by the US to Israel.

Former MNLF Leader Requests Benefits Release

HK1507044491 Manila MANILA BULLETIN in English 15 Jul 91 p 19

[By Mits Rasuman]

[Text] Former Moro National Liberation Front (MNLF) Commander Dante Bin Saud has appealed to President Aquino to direct various government agencies to release their benefits and projects under Executive Order No. 103, also the National Reconciliation Development Program.

Saud, president-chairman of the 2,000-man Federation of Bangsamoro Rebel Returnees, said the benefits are due from the Department of Interior and Local Government (DILG), Department of Agriculture, Department of Education, Culture, and Sports; Department of Social Welfare and Development, Department of Agrarian Reform, and the Department of Environment and Natural Resources.

He urged the early release or approval of livelihood projects, animal dispersal projects, scholarships, food, shelter, and clothing allowances; resettlement and reforestation projects long pending in the departments.

He said his commanders and followers surrendered to the government which had earlier vowed to help them.

Only recently, Saud and his men paid a courtesy call on Mandaluyong Mayor Benjamin Abalos to request a permit to hold a peaceful rally in front of the DILG office on Epifanio de los Santos Ave.

Meanwhile, rebel returnees, through Saud, thanked the Department of National Defense for its full support to them.

Thailand

Anan Receives Japanese Parliamentary President

BK1707135491 Bangkok Radio Thailand Network in Thai 1200 GMT 17 Jul 91

[Text] Speaking to reporters at Government House this afternoon after receiving the Japanese parliamentary president, Prime Minister Anan Panyarachun said he and the Japanese visitor discussed various issues in general. He said as government leader, he hopes that after Thailand holds a parliamentary election, exchanges of views, visits, and contacts between the Thai and Japanese parliaments will increase and relations will be strengthened further. Anan said the Japanese parliamentary president expressed appreciation for the Thai Government's contributions to effective negotiations on the restoration of peace in Cambodia. He said there was no detailed discussion about cooperation between Thailand and Japan [words indistinct] in Cambodia, but he felt that in the future the two countries together could play a greater part in the restoration of peace in Cambodia. He also hoped that Japan could strengthen economic, political, and cultural ties with Thailand and the countries in Southeast Asia or [as heard] Indochina.

The prime minister said he had a brief discussion about his visit to Japan with the Japanese visitors, but no date has been fixed for the visit. It is up to Japan, which might be busy with an election or some conferences.

Anan said he explained to the Japanese delegation that, at present, Thailand is using an interim constitution and that after drafting of a permanent constitution is completed there will be an election in late 1991, or early 1992.

Asa, Japanese Discuss Cambodia, ASEAN

BK1807021891 Bangkok Radio Thailand Network in Thai 0000 GMT 18 Jul 91

[Text] At the Foreign Ministry yesterday afternoon, after receiving Japanese Parliamentary President Yoshio Sakurauchi and his party following their visits to Cambodia and Vietnam, Thai Foreign Minister Asa Sarasin briefed reporters on his discussion with the Japanese visitor.

Asa told the visiting Japanese parliamentary president that Thailand welcomes Japan's constructive role in seeking a peace settlement in Cambodia, as well as solving problems in Laos and Burma, as these countries are important for the progress of the Asian region. The meeting now under way in Beijing is therefore significant to the settlement of the Cambodian problem. Thailand is ready to cooperate with Japan under the framework of the UN Security Council in order to bring permanent peace to Cambodia, said Asa.

Asked about the guidelines on the free trade zone to be proposed to the 24th ASEAN foreign ministers 19-24 July meeting in Malaysia, Asa said this is one of the topics of discussion as all ASEAN countries must seriously cooperate to expand trade opportunities in the region. In particular, they will discuss ways and means to reduce import taxes. The meeting will also serve as a preparation for the ASEAN summit, which will take place in Singapore early next year, concluded the foreign minister.

Ex-Khmer Rouge Soldiers Captured After Robbery

BK1807071991 Bangkok Army Television Channel 5 in Thai 1230 GMT 17 Jul 91

[Text] In connection with the report that on 10 July Cambodian soldiers carried out armed robbery and killed Thai villagers in Ban Phakkat, Pong Nam Ron District, Chanthaburi Province, a Thai marine unit arrested three of these Cambodian soldiers on 16 July near a hill in Tambon Thep Nimit of Pong Nam Ron District. Interrogation of these men revealed that they were members of a 50-strong gang which separated itself from a Khmer Rouge army unit and carried out armed robberies along the Thai-Cambodian border from Surin to Chanthaburi Provinces. The marine unit also found the body of a gang member killed by gunfire nearby.

Vietnam

Radio Comments on Relations With Chinese

BK1707113291 Hanoi Voice of Vietnam in English 1000 GMT 17 Jul 91

[Station Commentary]

[Text] Visitors to the Sino-Vietnamese border all noted a lot of people carrying all kinds of commodities and shuttling the border around the clock. For a long time, cross border trade has been a common practice stemming from the time-honored relations between the two countries.

This probably explained why for all the ups and downs in the political relations between the two countries, cross border trade continues to grow. The Foreign Ministry of the Socialist Republic of Vietnam has described the current stage of Sino-Vietnamese as the best since 1979 when bilateral ties turned sour.

Chinese traders have been selling to Vietnam farm tools, building materials, toilet amenities, manufactured goods such as bicycles, fans and clothing. For its part, Vietnam sells to China rubber, minerals and essential oil such as anis. China also buys from Vietnamese merchants sea food such as crabs, fish, shrimp and medicial herbs.

For seven years, representatives of Vietnamese and Chinese economic units have regularly met and signed contracts for business operations. In particular, the Chinese provinces of Hunan and Guang Xi have the biggest number of economic units doing business with Vietnam through its turnover of the (Beiluang) general trade department with value at 250 million renminbi in the past year.

At a recent exhibition in Vietnam on import and export commodities, this department displayed a wide array of goods. This indicates growing Chinese interests in trade on Vietnamese market.

Cross border trade between Vietnam and China described to have lacked organization due to the fact that official economic ties have not been established between the two governments.

Papers of both countries are desirous to expand economic relations from the border regions to other parts of the countries or, in other words, on the state to state level and to promote the Sino-Vietnamese trade to full capacity, official relations must be set up to ensure its constant development. This is a legitimate demand and at present, the Vietnamese party and state are working toward this end.

At a forum on the recent seventh national party congress, Vietnamese leaders affirmed the need to promote the process of normalizing Sino-Vietnamese relations such as gradually expanding Sino-Vietnamese cooperation and solving pending problems between the two countries through negotiation.

It is hoped that the legitimate desire for setting up official ties between China and Vietnam will come true in not a distant future. This will certainly contribute to promoting trade relations between the two countries.

Commentary Sees Phnom Penh's Stature Increasing

BK1707062991 Hanoi Voice of Vietnam in English 1000 GMT 12 Jul 91

[Station Commentary]

[Text] There is sprint race to Phnom Penh involving many countries, and a number of countries have sent representatives to Cambodia.

After big breakthroughs at the Supreme National Council [SNC] meeting in Phatthaya, many countries declared that they would send their representatives to the SNC headquarters in Phnom Penh. Early this week Australia was the first country which has a representative

in Phnom Penh. Mr Richard Butler, Australian Ambassador to Thailand, was appointed ambassador to the SNC. Japan also decided to send an ambassador to the SNC. Meanwhile, Indonesia is asking the SNC for permission to set up a representative office in Phnom Penh. The French foreign minister said his country is considering the reopening of the French Embassy in Phnom Penh. Other countries also have taken strong action to support the State of Cambodia. China and Western countries have stopped backing the Khmer Rouge. According to Radio BBC, China and the West have realized that the Khmer Rouge is incapable of gaining victory by military strength.

Meanwhile, the diplomatic prestige of the Phnom Penh government is on the rise. Therefore, many countries in Southeast Asia have made drastic changes in their relations with the State of Cambodia, typically, Thailand which has opened its door for trading with Phnom Penh. The Thai foreign minister also declared that he would visit Phnom Penh in October this year and consider the appointment of an ambassador to the SNC. The Siam Bank of Thailand has become the first foreign bank which has been operating in Phnom Penh.

People have been taken by surprise by a recent Chinese move. According to Radio Phnom Penh on 11 July, the Chinese Government invited Chairman Hun Sen to pay a three-day visit to China by the end of this month after the meeting of the Cambodian sides to be held in Beijing in the coming days.

The world public has shown concern and welcomed these developments. Though the risk to Phnom Penh has not yet ended, it has a positive impact on the process of the settlement of the Cambodian issue. Through this reality, the people can see the undeniable role of the State of Cambodia for the country and people of Cambodia.

SNC Meeting, 'Proof of Considerable Progress'

BK1707091791 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 17 Jul 91

[Duong Quang Minh Commentary: "A New Step Forward"]

[Text] A meeting of the Supreme National Council [SNC] of Cambodia is taking place in Beijing, the capital of China. All the SNC members of the State of Cambodia Government attending the meeting have clearly shown their attitude of good-will, and a readiness to participate in the discussion of any relevant issues in the highest possible constructive spirit in order to reach agreement on a number of common denominators with respect to the Cambodian problem, and to put and end to the sufferings of the Cambodian people.

Before leaving Phnom Penh for Beijing, Hun Sen, chairman of the State of Cambodia Council of Ministers, revealed in a letter addressed to the Cambodian people that SNC representatives would meet with high-ranking officials of the five permanent member countries of the UN Security Council, the UN secretary general's special envoy, and the two cochairmen of the Paris International Conference on Cambodia in Beijing on 18 and 19 July. The meeting had been previously planned to be held in Paris. The letter also disclosed that after the SNC meeting, Chairman Hun Sen would leave Beijing for Pyongyang on the same flight with Prince Sihanouk. After that, he would return for a three-day official visit to China, from 22 to 24 July, at the invitation of the Chinese Government. The Beijing office of Prince Sihanouk has confirmed that the Chinese Government has extended an invitation to Chairman Hun Sen to visit China during the said period. On 11 July, a spokesman for the Chinese Foreign Ministry also stated that China is prepared to establish relations with all SNC members, including the Cambodian Government.

First of all, it must be said that the following: The holding of the current SNC meeting in Beijing; the decision of the five permanent member countries of the UN Security Council, the UN secretary general's special envoy, the cochairmen of the Paris International Conference on Cambodia sitting down for talks with the SNC members in Beijing—instead of Paris as previously planned—immediately after the SNC meeting ends; and Chairman Hun Sen's planned visit to China following his trip to Pyongyang, can be regarded as proof of considerable progress not only in the internal affairs of Cambodia but also in the highly complicated state of current international relations.

Another significant fact is that the current SNC meeting in Beijing is taking place only 20 days after its previous meeting in Phatthaya, Thailand, and only one month and a half after its meeting in Jakarta. This shows that the SNC is beginning to operate in earnest. Meanwhile, the most important agreements in principle between the State of Cambodian Government and the opposition sides—namely the declaration of indefiniie cease-fire, the refusal to accept military aid from outside, and the decision to set up the SNC headquarters in Phnom Penh as soon as possible—are being implemented by all Cambodian sides concerned and welcomed by the international community.

Vietnam and Laos have issued statements saying that they are prepared to pledge not to allow shipments of arms via their territories to the Cambodian sides. It is hoped that SNC representatives will be present at the coming UN General Assembly session. Many countries including Australia, Thailand, Japan, Indonesia, France, Malaysia, and so forth, have talked about an early setting up of their diplomatic missions to SNC.

We still have to wait until the end of the current SNC meeting in Beijing to know what its outcome will be. However, we Vietnamese people hope that the meeting will help narrow the existing differences and prevent new ones from emerging, thereby contributing to achieving a comprehensive political solution to the Cambodian issue in conformity with the Cambodian people's interests and

the UN Charter. Developments in the situation have shown that the Cambodian people's aspiration for national reconciliation and the international community's need have made it imperative that a favorable outside atmosphere be maintained at this juncture to permit a satisfactory settlement of the Cambodian conflict.

Foreign Ministry Spokeswoman on SNC, DPRK

BK1807103491 Hanoi Voice of Vietnam in English 1000 GMT 18 Jul 91

[Text] Vietnam welcomes the good results of the Supreme National Council [SNC] of Cambodia meeting in Beijing.

Speaking at the regular press conference in Hanoi on Thursday, Mrs. Phan Thi Thanh, deputy of head of the Information and Press Department of the Vietnamese Foreign Ministry, voiced Vietnam's appreciation of the agreement on the appointment of Price Sihanouk as the head of the SNC and Prince Sihanouk's decision to resign from his post as the chairman of the National Government of Cambodia in the National Coalition of Resistance.

Mrs. Phan Thi Thanh noted that the freshly adopted agreement of the SNC opens up finer respect for national reconciliation in Cambodia and peaceful settlement of the Cambodia issue.

Vietnam has many times affirmed its respect for all SNC decisions on the issue of Cambodia sovereignty.

On the SNC application for joining the Mekong Committee, Mrs. Phan Thi Thanh said that Vietnam welcomes SNC participation in the Mekong Committee. This is an important event in the process of cooperation among many countries of the committee. The participation of SNC in the committee in the current stage and the Cambodian Government to be set up after the election will make the committee activity more effective.

Mrs. Phan Thi Thanh said that Vietnam welcomes the Democratic People's Republic of Korea application for joining the United Nations. This decision, she said, will help remove obstacles on the road leading to reunification of Korea. This is a positive contribution to peace and stability on the Korean peninsula and Northeast Asia region.

New Agreement With USSR on Oil Exploration

BK1707064991 Hanoi VNA in English 0559 GMT 17 Jul 91

[Text] Hanoi VNA July 17—An agreement on continued Soviet-Vietnamese cooperation in geological survey and oil exploitation in the southern continental shelf of Vietnam and a protocol on accelerating preparations for the commissioning of the Dai Hung oil field were signed here Tuesday.

Signatories were Tran Lum, minister of heavy industry, and B. Nikitin, Soviet first deputy minister of oil industry, on behalf of the Vietnamese and Soviet Governments.

Under the newly signed agreement, the two sides will amend the existing agreements to make them accord with the new situation with a view to enabling the "Vietsovpetro" (Vietnam USSR Petroleum Joint Enterprise) to expand production and business in the interests of both countries.

Joint Venture Company Set Up To Produce Cars

BK1707095791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Jul 91

[Text] The State Commission for Cooperation and Investment has permitted the setting up of the Mekong Company, a multilateral joint venture between Vietnam and foreign countries with a total capital of more than $35,990,000. The company will produce and assemble all types of cars for domestic consumption and export.

The Vietnamese side will contribute 30 percent of the prescribed capital. The Mekong Company plans to produce cars, buses, trucks, cranes, and fire trucks.

Training Office Set Up for Workers in FRG

BK1707100391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 11 Jul 91

[Text] According to news received from Berlin, on 9 July, an office named the "Skill-Upgrading Program for Vietnamese and Mozambican Workers" has been set up in Berlin. This office has been set up to help the Vietnamese and Mozambican workers who came to Germany under labor cooperation agreements with the former GDR Government to attend the skill-upgrading classes before retuning home. The classes will be held in eastern Germany.

At present, in eastern Germany there are 12,000 Vietnamese workers and 2,000 Mozambican workers. These people, if they want to improve their skills before going home, can send application forms to the above-mentioned office.

Vo Van Kiet Receives Malaysian Labor Experts

BK1807061591 Hanoi VNA in English 0602 GMT 18 Jul 91

[Text] Hanoi VNA July 18—Vo Van Kiet, first vice chairman of the Council of Ministers, yesterday received a delegation of Malaysian experts on labour, wage and insurance headed by Tan Sri Mahmud Jaib, director general of the Public Service Commission, now on a working visit to Vietnam.

Among those present at the reception were Tran Dinh Hoan, minister of labour, war-invalids and social affairs,

Doan Trong Truyen, director of the Public Administration School, and Tran Huy Chuong, assistant to the foreign minister.

Vice Chairman Vo Van Kiet welcomed the delegation's visit as a fine act of goodwill which meets the two peoples' desire to develop their friendly and cooperative relations.

In his reply, Tan Sri Mahmud Jaib said Malaysia would do its utmost to enhance the cooperation between the two countries and is ready to share with Vietnam its experiences in successes as well as in failures.

Leaders Send Greetings to Iraqi Counterparts

BK1807065191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Jul 91

[Text] On 16 July, Vo Chi Cong, chairman of the Council of State, sent the following congratulatory message to His Excellency Saddam Husayn, president of the Republic of Iraq:

On the occasion of the 23d National Day of the Republic of Iraq, I would like to extend to you and, through you, to the people of Iraq, my warmest congratulations. It is my wish that the Iraqi people will overcome all difficulties and trials and will record many new achievements in national reconstruction. May the friendship and cooperation between the peoples of our two countries be further consolidated and developed.

On the same day, Do Muoi, chairman of the Council of Ministers, sent the following message to His Excellency Sa'dun Hammadi, prime minister and chairman of the Council of Ministers of the Republic of Iraq:

On the occasion of the 23d National Day of the Republic of Iraq, I would like to extend to you and the Iraqi government my warmest congratulations. It is my wish that the relations of friendship and cooperation between the peoples of our two countries that have endured during the past years will be ceaselessly consolidated and developed in the future.

On the same occasion, Foreign Minister Nguyen Co Thach also sent a congratulatory message to His Excellency Ahmad Husayn Khudayyir, foreign minister of the Repubic of Iraq.

Iraqi Host's Ministers

BK1707153791 Hanoi VNA in English 1504 GMT 17 Jul 91

[Text] Hanoi VNA July 17—Iraqi Charge d'Affaires A.I. Abbas Fadhil Abid gave a reception here this evening to mark the 23rd National Day of the Republic of Iraq.

Among those present on the occasion were Nguyen Canh Dinh, minister of water resources, and Dinh Nho Liem, deputy foreign minister.

Toasts were raised to the further consolidation and development of the friendship and cooperation between Vietnam and Iraq and many successes of the Iraqi people in national reconstruction.

Nguyen Co Thach Speaks at 7th Party Congress

BK1707151991 Hanoi NHAN DAN in Vietnamese 1 Jul 91, p 2

["Excerpts" of Speech by Nguyen Co Thach, Delegate from Ha Son Binh Province, at the 25 June morning session of the Seventh National Party Congress in Hanoi Ba Dinh Conference Hall]

[Text] After speaking of changes in socialist countries, in the second part: "Major political changes in the world," in his speech at the seventh party congress, Comrade Nguyen Co Thach talked about changes in capitalist countries. He said:

A prominent point in international relations over the past two decades was the appearance of three centers in the capitalist world that have competed with one another fiercely. During the 1950's, the United States was militarily and economically stronger than other capitalist countries. Late in the 1960's and early in the 1970's, three capitalist centers—the United States, West Europe and Japan—were formed and the United States has become increasingly weak in the economic, financial and commercial domains, and even in the high technical field. By the mid 1980's, Japan and West Europe had surpassed the United States in many respects, threatening the hegemonic position of the United States in the capitalist world.

The change from the position in which the United States was once stronger than all other capitalist countries combined, both militarily and economically, to the position in which the United States is now only stronger than each individual country but economically weaker than some of them combined together, has limited the U.S. capability in accomplishing its ambition of restoring its role as international gendarme in a "new world order". Researchers in the world have unanimously agreed that in the next decade there is no indication that the United States can reverse this trend, and that the United States has no capability of waging, by itself, a war on a large scale similar to the Korea and Vietnam wars. The United States wants to use the Gulf war to restore its "leadership" role in the world and its "prestige" following the "Vietnam syndrome", to control large oil reserves and foreign exchange in the Middle East in order to control the world. West Europe and Japan (70 percent of the oil for West Europe and Japan comes from the Near Middle East), thus weakening the struggle of the Arab Palestinian people to benefit Israel. The United States has taken advantage of the problems encountered by the Soviet Union and China to create the mechanism of the five permanent members of the UN Security Council to settle regional conflicts in order to carry out its ambition of using the Gulf war to test its many modern weapons

and stimulate its declining economy. The US alone could not wage the war. It had to drive dozens of countries into the war and to rely mainly on the money of Japan, Germany and some Arab countries. Western countries and Japan cooperated, with the United States in the Gulf war to oppose the U.S. ambition to monopolize the Middle East region with its large oil reserves and foreign exchanges, forcing the United States to respect their interests. Against a weak enemy like Iraq and in such a small theater of operation, the United States had to mobilize nearly all its armed forces and strive to avoid a prolonged ground war. Even though Saddam Husayn could no longer resist and was on the brink of collapse, the United States had to stop at the Iraqi border. Following the war, conflicts between the United States and Japan, Germany and West Europe; between the United States and the Arab and Muslim world; between the United States and developing countries; and between the United States and the Soviet Union and China, have again emerged, causing difficulties to the United States in many respects. The United States wants to reach a political solution beneficial to itself in the Middle East, but it still has many restraints even though the Gulf war has brought about many advantages.

Major changes in the first half of the 20th century were closely linked to the two world wars. None of the momentous changes over the 45 years since the end of the World War II are linked to any world war. Along with major economic and political developments in the world, realistic possibilities for preventing a new world war have appeared. The present stockpile of nuclear weapons can exterminate as many as 25 times the whole of mankind and both offensive and defensive countries. Since the nature of production forces has become highly international, a world war will cause damages to all countries. The primary demands of the people of all countries are peace and cooperation for development. The world peoples' struggle for peace, cooperation, and development is very strong. Imperialist countries are shifting to the use of economic and technological trump cards to mainly carry out their peaceful evolution, even though they have not relinquished the use of force.

Generally-speaking, there are always limited wars, but they are not likely to lead to a world war.

Marx and Engels discovered the law of the dialectical relationship between the nature and standard of production forces and production relations, and affirmed that it is the fundamental impetus in the history and evolution of mankind. The survival of capitalism depends mainly on the evolution of fundamental conflicts inside capitalism. They are acute contradictions in the increasingly shrinking framework of the capitalist system of acquisition, which can no longer accomodate the ever expanding volume of material assets created within its system. These contradictions are manifested in the acute tensions between the capitalist classes and the general masses of the people; between a group of developed capitalist countries and hundreds of developing countries; among the capitalist countries themselves—now most prominent of all are tensions among the United States, West Europe, and Japan—and between the capitalist and socialist countries. So, the historical trend of capitalism by itself "with the inevitability of a natural course has engendered its own negation" (Marx, complete works in Russian, pages 19, 120). The forces that lead to the destruction of the capitalist regime do not come from outside, but are the economic, political, and social forces that develop inside capitalism. The economic, political, and social forces inside capitalism will destroy capitalism and lead to the birth of socialism, and it is not the socialist countries that will eradicate capitalism in the world.

Although the conflict between socialism and capitalism is one of the fundamental conflicts that are taking place fiercely, all the four conflicts of the era are centered on the sole objective that is capitalism. At the same time, three of the four conflicts of the era are inside capitalism. If these four conflicts are placed inside a general body, we will see that capitalism is the target of struggle of all four forces in the world: The working class and laboring people in capitalist countries, all nations in the world, and between the capitalist and socialist countries. The settlement of conflicts between the production relations and production forces and the settlement of these four fundamental contradictions of the era will decide the survival and destruction of capitalism.

The development of history follows the common laws of mankind: Production forces constitute the most dynamic and decisive component, in which the human factor occupies the foremost position. Moreover, in a society with opposing classes, the evolution of these laws is manifested through the class struggle that serves as a core for the laboring people's struggle. The laboring people are those who create the history of mankind.

The economic and political changes in the world are extremely great and rapid. That production forces in the world are developing to a high standard and with a new quality is changing the history of mankind. All countries of different social systems are going through a critical process: Crisis in the economic structure, production relations and management. The settlement of this global crisis will bring mankind a step higher toward qualitative development.

If we view the socialist crisis against the entire setting of great changes in the world, and if we place the socialist crisis within the whole evolutionary process of human history, we will have a comprehensive and more adequate knowledge. If we do not do this, our assessment will be superficial.

The great economic and political changes in the world over the past 70 years are creating objective premises leading to the inevitable destruction of capitalism and the victory of socialism even though the path to that objective is still sinuous and long.

Only by a general evaluation of all the very great changes in the world from an historical standpoint, can we most

satisfactorily combine national strength with the strength of the era as outlined by the sixth party congress.

Cu Huy Can Speaks at Seventh CPV Congress

BK1607142191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 7 Sep 91

["Excerpts" of speech by Cu Huy Can, delegate from the party organization of the ideological bloc, at the 25 June morning session of the Seventh National Congress of the Communist Party of Vietnam—recorded]

[Summary] "The party and state have always paid great attention to literature and art and have defined relatively comprehensive policies on literature and art. These policies, however, still have not fully and uniformly been enforced. National color is emphasized in culture and art. Nevertheless, many cultural and artistic assets that have been left behind by our ancestors are disappearing gradually. Our party relies on the contingent of writers and artists. However, our writers and artists are facing numerous difficulties, both in their daily life and work conditions.

"Recently, through an investigation and close contacts with us, the Council of Ministers was able to see the difficulties encountered by the brother and sister writers and artists. Despite all this, they keep on creating new works for the sake of their country and people."

Due to a commercial tendency and to laxity in management, genuine national literature and art, including traditional and modern literature and art, are being shoved back and an era of our youth is facing the danger of being cut off from their ancestors' cultural traditions.

Faced with such a difficult and complicated situation, at a recent meeting we, writers and artists, reached the conclusion that we should submit the following suggestions and viewpoints to the Seventh Party Congress:

"1. The party and state should formulate plans to improve national culture and art and should consolidate various essential organizations for the implementation of these plans, which involve preserving, safeguarding, and promoting the nation's cultural and artistic heritages and encouraging our people or creating favorable conditions for them to establish new cultural and artistic values that are deeply imbued with Vietnamese coloring and characteristics to meet the needs of our times."

It is necessary to concretize the cultural and artistic lines that have been specified in the platform and strategy.

"2. The party and state should adopt definite measures for the enforcement of policies on cultivating and consistently using literary and artistic talents. Although we already have the policies, we still need definite measures to enforce them. We must consider these talents as the vast creative abilities that can contribute positively and effectively to the process of renovating life and society.

"It is necessary to provide writers and artists of the younger generation with advanced training while creating the necessary conditions for those of the older generation to continue creating new works. Sometimes writers and artists of the older generation can offer interesting works due to the experience they accumulated throughout their lifetime.

"3. Policies should be adopted to create favorable conditions for our writers and artists to get in touch regularly with other writers and artists. This is extremly necessary as it not only broadens our outlook, but also helps to enthusiastically and profoundly introduce our national literature and art to the world. The comparison of talents with our colleagues in foreign countries always inspires our inner creativity.

"4. The party and state should have appropriate investment policies for the cause of literature and art.

"5. We suggest that the state promulgate the law on copyright. Although the Council of Ministers has already issued a decree on this law, it remains somewhat limited.

"6. Within the scope of human development strategy, it is necessary to clearly define the role and position of various literature and art creation associations in society in their capacity as the force that creates the spiritual and cultural values for society, and as a reliable contingent in the political system of the party and state. [applause]

Companies Exports Increase by 127 Percent

BK1807061491 Hanoi VNA in English 0605 GMT 18 Jul 91

[Text] Hanoi VNA July 18—The Union of Import-Export Companies in Song Be Province, north of Ho Chi Minh City, in the first semester achieved an export value of 4.2 million US dollars [USD] or 60 per cent of its yearly plan, up by 127 per cent compared with the same period last year.

Of the total value, agro-forestry and livestock products accounted for 3.4 million USD and arts and crafts for 216,000 USD. The union recently also sold its products to Laos and Cambodia.

The Viet Huong Hai Fish Sauce Enterprise in Ho Chi Minh City in the past six months turned out 4.5 million liters of fish sauce , accounting for 65 per cent of the yearly plan and up by one million litres compared with the same period last year. It has exported 11,500 bottles of fish sauce of 0.65 litre capacity to Taiwan.

Planthoppers Infest 230,000 Hectares of Rice Crop

BK1707084791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Jul 91

[Text] According to the Steering Committee for the Counter of Insects of the Ministry of Agriculture and Food Industry, up to the beginning of July this year,

230,000 hectares of summer-fall rice crop—the equivalent of 20 percent of the total crop— in the Mekong River Delta have been infested by brown planthoppers. The most affected areas are in the provinces of Dong Thap, Long An, and Hau Giang.

It is predicted that in the second half of July 1991, if sufficient preventive measures are not taken, the infection may become epidemic in some localities.

The Vietnam Insecticide Company and the No. 2 Material for Plant Protection Company have provided enough insecticide to meet the demands of the localities and they have given priority supply to more severely infected areas.

Ha Nam Ninh: 3,400 Moved to Economic Zones

BK1707142791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 14 Jul 91

[Text] So far Ha Nam Ninh Province has moved more than 700 households with more than 3,400 people—including 2,000 people of working age—to new economic zones, mainly in Quang Ninh and Lam Dong Provinces. In doing that, the province has overfulfilled the plan 47 percent.

The local districts have helped those moving by transporting materials to new places for the people to build houses, and have given a three-month supply of food to every household. Every two or three households is given one water buffalo for agricultural work. The districts also send cadres to new places to help people settle life and production quickly.

Vinh Phu Moves 550 People

BK1707140191 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 14 Jul 91

[Text] So far in 1991, Vinh Phu Province has invested 420 million dong from central and local funds to transfer people to new economic zone construction.

In the previous years, the province invested money in collective groups and cooperatives to motivate people to move to new economic zones. They caused too many people to go to the new economic zones, resulting later in 20 to 30 percent of households moving back to their home villages.

This year, the provincial Labor Force and Resident Management Office is financing households directly and is choosing only households with good laborers, experience in production, and good economic potential to construct the new economic zones.

As a consequence, as of the end of May, Vinh Phu Province has transferred more than 100 households with 550 people to new land. So far, 60 percent of these households have settled down and are working. Many households have relatively high economic standards.

Finance Minister on Debt Settlement Plan

BK1607141591 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Jul 91

[Interview with Finance Minister Hoang Quy by an unidentified station correspondent; date, place not given—recorded]

[Summary] [Correspondent] Recently, the Council of Ministers issued a decision on the settlement of debts among the various economic establishments. Could you tell us something about the long-standing debts incurred by those economic establishments?

[Hoang Quy] "First of all, I would like to mention the fact that as we shift from the system of state subsidization to a new mechanism, in many countries, the indebtedness of the various economic establishments has been viewed differently. As far as our country is concerned, the debts that the various economic establishments have incurred due to the unauthorized use of one another's capital is very serious. According to still incomplete statistics, by the end of 1990, the amount of debts that the various state economic establishments have incurred due to the unauthorized use of one another's capital has reached more than 10 trillion dong." This state of affairs has posed many difficulties to the banking sector, production, and other aspects of life.

Faced with such a situation, on 30 March 1991, the Council of Ministers issued Decision No. 88 on the settlement of debts by the various economic establishments and on 10 April 1991, it decided to set up a debt settlement steering committee and to initiate the first phase of a debt settlement plan.

[Correspondent] Could you please give some concrete details about the first phase of that plan?

[Hoang Quy] Through Decision No. 104 dated 10 April 1991, the Council of Ministers clearly defined the scope, objects, and measures for implementing the first phase of that debt settlement plan.

Regarding scope, millions of debts of all kinds have been incurred by the various economic establishments belonging to different sectors and localities throughout the country. This is true even with those debts owed to foreign countries. Therefore, it is impossible to carry out that debt settlement plan overnight. Instead, measures must be taken to implement it step by step.

During the first phase, attention will be paid to settling debts resulting from the purchases and sales of materials and goods, and from the various transactions involving services provided, loans, joint economic ventures, and work contracts among the various economic establishments.

As for the objects of the first phase of the debt settlement plan, they will include all active state enterprises. Regarding the settlement of debts incurred by those state

enterprises that have stopped operating pending liquidation, it will be implemented in accordance with the Council of Ministers' Decision No. 315 dated 1 September 1990.

Regarding measures adopted for the first phase of this debt settlement plan, state economic establishments throughout the country will have to follow a multilateral debt payment method to be enforced by the Central Debt Settlement Steering Committee to guarantee strict implementation. Under this debt payment method, the economic establishment involved must make a statement on the amount of debt they owe other establishments and vice versa. Then, they will come up with a balance. There are two cases here. If the balance is greater than the total debt owed by other establishments, creditors will have to use the surplus money to settle their debts with banks, trust funds, and the state budget. If the balance is less than the debt owed by other establishments, the banking service will help debtors with settling their dues.

[Correspondent] What are the results and prospects of the first phase of this debt settlement plan?

[Hoang Quy] So far, in implementing Decision No. 88 of the Council of Ministers, the Central Debt Settlement Steering Committee has been set up under the direction of the comrade first vice-chairman of the Council of Ministers. Members of the committee include representatives of the banking and financial sectors, the State Planning Commission, and the State Arbitration Commission. A group of specialists has also been formed to help the committee with documents related to debt settlement. The committee also organized a training course from 12-17 May 1991 in Ho Chi Minh City for cadres in charge of debt settlement in 44 provinces, cities, and special sectors and at 45 central organs. Appropriate debt survey forms have also been prepared for distribution to more than 130,000 economic establishments nationwide. Preparations are under way in the various localities to hold training sessions at district and provincial levels to get ready for the implementation of the first phase of this debt settlement plan.

[Correspondent] Thank you, comrade minister.

Doan Khue Visits Military Research Center

BK1807082991 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 14 Jul 91

[Text] Recently, General Doan Khue, member of the Political Bureau of the party Central Committee and director of the General Staff Department of the Vietnam People's Army, visited the Nghia Do Scientific and Technological Research Center of the Institute of Military Technology currently under construction.

Comrade in charge of the building project reported to the general about the proceedings and measures taken to speed up the building plan of the center. According to the plan, if sufficiently funded, the project will be finished in the first quarter of 1992.

Comrade Doan Khue reminded cadres, soldiers of the institute, and workers at the project to strive to overcome difficulties and speed up the work to put accomplished parts of the center into early use in order to better serve the teaching and scientific research of the institute, meeting the demand of army building at present as well as in the future.

The head of the institute appreciated the concern of the Central Military Party Committee and Ministry of National Defense. He expressed his hope of more practical assistance from responsible organs so the project can be finished as planned.

Australia

Evans Expresses Disappointment at French Test

BK1707070091 Melbourne Radio Australia in English 0500 GMT 17 Jul 91

[Text] Australia has expressed disappointment and New Zealand anger at the latest French nuclear test at Mururoa Atoll in French Polynesia. The test yesterday was estimated by Australian and New Zealand seismological centers at between 20 and 80 kilotons. France said it was less than 50 kilotons.

New Zealand foreign minister, Don McKinnon said New Zealand was sick and tired of the French tests and the French continued to misjudge the mood of the South Pacific. He said the tests continued at the time when the cold war is over and the security situation in Europe has changed.

Australia's foreign minister, Gareth Evans, said it was deeply disappointing that France has continued its test programs in the face of strong and widespread opposition in the region.

Radio Australia's Canberra office said the latest test came at a particularly unfortunate time as it coincided with the visit to Australia by France's junior foreign minister, Alan Vivien. Meanwhile, Mr. Vivien has begun a 3-day visit to Papua New Guinea. He is the highest-level French official to visit since 1985. Mr. Vivien is scheduled to hold a series of talks with Papua New Guinea leaders, including the prime minister, Rabbie Namaliu, and foreign minister, Michael Somare.

He is being accompanied by France's permanent secretary to the South Pacific, Jacques Le Blanc.

Government Welcomes Group of 7 Summit Communique

BK1807062991 Melbourne Radio Australia in English 0500 GMT 18 Jul 91

[Text] Australia's Federal Government has welcomed the statement from the Group of 7 summit in London urging a successful continuation to the Uruguay Round of trade negotiations. But the minister for trade and overseas development, Neal Blewett, says it is up to the leaders to ensure their ministers and negotiators do not leave the words as rhetoric.

The London summit communique stated that the seven leaders believed no issue had far more reaching implications for the future prospects of the world economy and the successful conclusion of the Uruguay Round of GATT negotiations.

The group said a successful outcome was essential to encourage integration of developing countries and Central and East European nations into a multilateral trading system.

Dr. Blewett says the statement meets almost every request put to the leaders of the seven major industrial nations by the Cairns Group of free trading nations which met in Brazil last week.

Rights Probe Team Returns From PRC Visit

BK1807062691 Melbourne Radio Australia in English 0500 GMT 18 Jul 91

[Text] Australia's human rights delegation in China has ended the Beijing part of the visit and says it is encouraged by the amount of information offered by Chinese officials. Radio Australia's Kate Wall reports that while the delegation did not meet any jailed dissidents, it had received an assurance that some of them are in good health despite reports saying they are ill.

The delegation's leader, Chris Schacht, said his team held three days of discussions with Chinese officials which he described as at times frank and robust and sometimes agitated.

Senator Schacht declined to disclose individual cases of Chinese dissidents discussed with the officials, but said the delegation had been assured that 11 jailed dissidents, who were widely believed to be ill, were in fact quite well.

The Australian group is the first foreign human rights delegation allowed to tour China although the Beijing government insists it is a parliamentary group discussing a wide range of issues.

Senator Schacht said the Australians' access to prisoners had been no more than expected but information provided meant that Australian Embassy staff in Beijing would be able to follow up on the welfare of some of the dissidents.

He said that a Chinese vice premier, Zhu Rongji, had invited the delegation to make a return visit.

Papua New Guinea

Bill Extending No-Confidence Vote Period Passes

BK1807063691 Melbourne Radio Australia in English 0500 GMT 18 Jul 91

[Text] Papua New Guinea's national parliament has finally passed a bill extending the grace period preventing no-confidence vote being moved against governments. On the third attempt this week, the constitutional amendment received the required two-thirds majority extending the grace period from the present six months to 18 months.

The amendment will come into effect after next year's national election, and means that the new government will be free from the threat of a no-confidence vote in parliament during its first 18 months in office.

Government Extends Night Curfew To Curb Crime

BK1807063491 Melbourne Radio Australia in English 0500 GMT 18 Jul 91

[Text] An overnight curfew in Papua New Guinea's capital, Port Moresby, is being extended in an effort to curb crime in the city. The curfew was to have expired at the weekend but will remain in place for at least another month reduced by 2 hours.

The prime minister, Rabbie Namaliu, told parliament the curfew had reduced the number of crimes committed in the city at night. However, he said that at the same time there had been an increase robberies during daylight hours.

French Delegation Arrives 17 Jul for Talks

BK1707023191 Hong Kong AFP in English 0130 GMT 17 Jul 91

[Text] Port Moresby, July 17 (AFP)—The French junior foreign minister, Alain Vivien, began a three-day official visit Wednesday to Papua New Guinea, traditionally one of the most vocal critics of France's policies in the Pacific.

Mr. Vivien, the first french government official to visit Port Moresby for six years, was scheduled to have a series of meetings with top officials including Prime Minister Rabbie Namaliu and Foreign Minister Sir Michael Somare.

Before he arrived here late Tuesday, Mr. Vivien said his talks would include discussion of the election of the next president of the U.N. General Assembly, a post for which Sir Michael is a candidate.

Papua New Guinea, one of three countries in the Melanesian Spearhead Group (MSG), has led moves in the United Nations to obtain independence for the French territory of New Caledonia.

Each year the MSG tables a resolution to keep New Caledonia on the agenda of the U.N.'s decolonisation committee, but Mr. Vivien said this year he foresaw "no serious disputes."

The unusually mild resolution was "acceptable to the French Government," he told reporters in Canberra, where he made a brief stop on his way to Port Moresby.

Asked whether France would support Sir Michael for the presidency of the General Assembly, Mr. Vivien replied: "It is a possibility ...Nothing has yet been formally decided."

Describing his visit as "necessary in the sense that no French Government official has been here since 1985," he said he had asked Foreign Minister Roland Dumas to reject a proposal that the French Embassy here be closed as an economy measure.

The proposal was made "in the context of general economies foreseen by the Foreign Ministry," he said, "but I asked the minister not to accept it."

Mr. Vivien, accompanied by Jacques le Blanc, France's permanent secretary to the South Pacific, was also due to meet the speaker of parliament here, Denis Young, and the ministers of trade and industry, John Giheno, and defence, Ben Sabumei.

Vanuatu

Church Calls Government Undemocratic, Unchristian

BK1707095591 Hong Kong AFP in English 0642 GMT 17 Jul 91

[Text] Vila, July 17 (AFP)—Vanuatu's Presbyterian Church on Wednesday slammed the recent actions of Prime Minister Walter Lini and said it could not support the increasing "unchristian and undemocratic" nepotism in his government.

In a statement broadcast on Radio Vanuatu, the church expressed "deepest regret" over high level dismissals for alleged disloyalty, the prime minister's lack of consultation within his government, "nepotism and favouritism" in new appointments and the lack of an ombudsman.

"Increased nepotism in your government is alarming and the church considers this undemocratic and unchristian," it said.

The statement added that the church "cannot promise support" for Father Lini if "these practices continue."

"This government is not your personal organisation because it was democratically elected.

"The Presbyterian Church of Vanuatu cannot keep quiet because the recent political activities in this country are affecting the life of the nation," it said.

The statement follows recent ministerial and public service sackings by Fr. Lini and a split in the ruling Vanua'aku Party over the leadership.

The intervention of the church comes as key members of the Vanua'aka Party, including sacked minister Donald Kalpokas, are seeking to unseat Fr. Lini as party president and therefore as prime minister.

The Presbyterian Church is the most powerful church here, covering an estimated 37 per cent of country's 155,000 population including many MPs [members of parliament], although Fr. Lini is an Anglican.